

The **NATIONAL** **UNDERWRITER** *Life Insurance Edition*



This booklet Tells You

about the intensive, five-week course in planned salesmanship conducted by field-seasoned instructors of the Ætna Life Insurance School. The thorough study of Life, Accident, and Group insurance enables you to take profitable advantage of the comprehensive lines written by the Ætna Life. The School has proved an influential factor in increasing the earning capacity of its students. A copy of the booklet is yours for the asking . . . merely address your request to:



The Ætna Life Insurance School • Hartford, Connecticut

There are a limited number of openings for the session beginning October 21

FRIDAY, OCTOBER 11, 1940

Direct Mail Campaign and Visual Sales Portfolio Wins Praise of "The Reporter"

DRAMATIC INSURANCE CAMPAIGN

The Ohio National Life Insurance Company, Cincinnati, Ohio has developed an impressive Sales Plan for field use embracing a Direct Mail Campaign and a Visual Sales Portfolio.

The Direct Mail Campaign starts with two teaser postal cards. The first shows a color painting of a cave-man defending his family against a lion. Copy reads, "Do You Know That . . . Primitive man risked life and limb to protect his family against want and suffering? He solved his problem! How? . . . You will receive the answer in a few days. . . . Be on the lookout for it." The second card says that modern man, too solves his problem in an easy, guaranteed way, and promises that the answer to the question "How?" will arrive in a few days.

The piece that answers the question is a striking broadside. Two-color paintings of men in seven different stages of civilization are contrasted with photographs of modern man. The problems of men through the ages are compared with the problems of today . . . and the solution is given. A Reply Card is tipped to the broadside, with four different insurance plans to be checked for further information.

The Sales Portfolio, used by the salesman who follows up these card inquiries, is well illustrated and stresses, with a minimum of copy, the five fundamental needs for permanent personal and family security. The stiff back cover of the portfolio features a unique chart that affords a dramatic presentation of the prospect's present insurance estate as compared to his needs or desires. Four cut-out columns, showing Clean-up Fund, Salary Continuance, Life Income for Wife, Education Plan for Children, and Retirement Income, are printed in bright green. In each column are two movable plastic indicators, one red, one yellow, each with a metal arrow that points to figures printed on the outside of the column. The chart is not intended to be statistical in the sense of giving the amount of insurance needed in each individual case, but it demonstrates in a colorful and interesting way the difference between what a man has and what he wants or needs. A pad for the salesman's use slips into a strip stapled on the bottom of the chart.

An unbiased analysis of The Ohio National's new sales aid by "The Reporter of Direct Mail Advertising" (National Magazine) appeared in the July, 1940 issue of that magazine. This unsolicited article speaks highly of the merit of the sales plan and of the alertness of the editorial staff of "The Reporter" to new developments in the field of direct selling.

The Direct Mail and Visual Sales Portfolio (copyrighted) is but one of many Field helps available to Ohio National salesmen.

The Ohio National Life Insurance Company Cincinnati, Ohio

T. W. Appleby, President

The NATIONAL UNDERWRITER

Forty-fourth Year—No. 41

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, OCTOBER 11, 1940

\$3.00 Year, 15 Cents a Copy

Parkinson Scores Two Fiscal Policies of Government

Speaker at Harry Wright Dinner Hits Easy Money, Investment Competition

Citing chapter and verse evidence, President T. I. Parkinson of Equitable Society angrily condemned two federal fiscal policies that he contended are causing the life companies the utmost difficulty in earning the 3½ percent interest on invested funds which they must earn to keep the promises of their contracts. Mr. Parkinson was the featured speaker at the banquet in Chicago Tuesday evening honoring Harry T. Wright, Equitable Society, Chicago, upon his recent election as president of the National Association of Life Underwriters. Nearly 400 attended this notable gathering, including National association leaders from out of the city and company executives, many of whom were in Chicago for the meeting of the American Life Convention.

The fiscal policies which he particularly denounced, were those placing government funds, likewise seeking investment, in competition with funds of life companies and other private investors and the easy money policy. The National agents' association, he declared, must assume a large share of the responsibility of causing the public to understand these problems and to halt them. It is an intricate story to tell, he observed, but in the democratic process, it is vital that the public be made to understand these complicated situations which have such a vital bearing on their welfare.

Jesse Jones Statement

In speaking of the competition of government funds, Mr. Parkinson said that he had just read a statement by Jesse Jones, secretary of commerce and head of the Reconstruction Finance Corp., to the effect that the RFC had never made a loan when the borrower could have gotten accommodations from private lenders on reasonable terms. Mr. Parkinson flatly contradicted that assertion. He said a few months ago the Great Northern Railway was seeking \$20,000,000 with which to refinance a \$29,000,000 bond issue. New York investment bankers, he said, offered to make the loan at 3.83 percent and Equitable Society agreed to permit its \$8,000,000 interest in the lien to remain at the proposed new terms.

The RFC, he said, knew that this private arrangement was available but the RFC nevertheless made a tentative offer to handle the transaction at 4 percent. Notwithstanding that the Interstate Commerce Commission is forbidden to

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Soldiers, Sailors Relief Act Passed by Congress

WASHINGTON, D. C.—Congress this week passed and sent to President Roosevelt for approval legislation suspending the civil liabilities of men serving in the military and naval establishments, under which they will be protected against the loss of insurance policies for non-payment of premiums.

The measure provides that, upon application, the Veterans' Administration shall protect the premiums on insurance policies not exceeding \$5,000 in face value on which premiums were paid before the date of the legislation, or not less than 30 days before entry into the military service, provided premiums have not been due and unpaid for more than one year or the outstanding policy loan or other indebtedness is not 50 percent or more of the cash surrender value of the policy.

Companies to Report Monthly

It is required that every insurance corporation or association to which application has been made for the benefits of this relief shall make monthly reports showing the names of the persons who have applied for such benefit and the face value of the policies in respect of which such benefits have been applied for during the preceding month; a list so far as practicable of the premiums in respect of policies entitled to benefits which remain unpaid at least 31 days after due date; a list of premiums which have previously been reported as in default, which have been paid by the policyholder or someone on his behalf, and a computation of the difference between the total amount of defaulted premiums reported and the total amount of premiums paid as reported, after having been previously reported as in default.

Certificates to Insurers

The Veterans Administration, upon computation of these reports, will deliver to each insurer a certificate in the amount of the monthly difference, to be held as security for the payment of the defaulted premiums with interest, which will be payable within 60 days after the approval of the statement of account. The government, to indemnify it against loss, will have a first lien on any policy receiving the benefits of the law, subject only to any lien existing at the time the policy became subject to the act.

In the event of a policy being terminated by death, the amount of any unpaid premiums, with interest at the rate provided for in the policy for policy loans, shall be deducted from the proceeds of the policy and included in the next report of the insurer as premiums paid.

If the insured does not pay to the insurer all past due premiums with interest within one year after the termination of his period of military service, the policy is to lapse and the insurer shall become liable to pay the cash surrender value thereof, if any.

Settlement When Law Expires

At the expiration of one year after the date when the law ceases to be in force, accounts between the government and insurers shall be settled, each insurer being credited with the total

amount of the certificates held and the government credited with the amount of the cash surrender value of the policies lapsed or forfeited, but not in any case to a greater amount on any policy than the total of the unpaid premiums with interest.

No policy which has not lapsed for the non-payment of premium before the commencement of the period of military service of the insured and which has been brought within the benefits of the law, shall lapse or be forfeited for non-payment of premium during the period of service or during one year thereafter. The relief will apply only to organizations which are required by law to maintain a reserve or which, if not so required, shall make provision for collecting from all those insured a premium to cover the special war risk of those insured persons who are in military service.

No Pressure on Purchases

Veterans Bureau officials this week denied reports that pressure would be brought to bear on conscripts inducted into the army under the new training plan to purchase government insurance.

Definite plans for the handling of soldiers' insurance have not been perfected, as President Roosevelt has just signed the excess profits tax bill, in which provision is made for the protection, but it was asserted that the new insurance, which is to replace the present system throughout the military service, will be handled along the same lines as in the past.

Men inducted into the army will have 120 days in which to decide whether they wish to take out policies and while the advantages of such protection will be called to their attention, no high pressure selling methods will be adopted, it was said.

Added Speakers for Chicago Meeting

The program committee for the Life Insurance Sales Research Bureau-Association of Life Agency Officers annual meeting has announced the names of additional speakers who will have places on the second day's program. The meeting will be Oct. 28-30 at the Edgewater Beach Hotel in Chicago.

On the Tuesday morning program, G. E. Lackey, general agent Massachusetts Mutual in Detroit, will discuss the agency officer's job from the point of view of the manager and will give special consideration to some of the problems which are of particular interest to the field today. The theme of his talk is "Captains of Production—I Salute You."

A. K. Kurtz, research associate on the bureau staff, will report on its long-term study on "Selection of Managers." He will discuss the possibilities of measuring the potential leadership qualities of the prospective general agent or manager and report on what the bureau has accomplished in this study.

The problem of selecting agents will be considered by F. H. Haviland, vice-

(CONTINUED ON LAST PAGE)

Elect Julian Price Head of Prominent Insurance Body

American Life Convention Has Busy Meeting in Chicago This Week

By C. M. CARTWRIGHT

Julian Price, president of the Jefferson Standard Life of Greensboro, N. C., who has been on the executive committee of the American Life Convention getting an intimate knowledge of its workings and machinery, was elected president of the organization at the annual meeting this week at the Edgewater Beach Hotel in Chicago. He is one of the leaders of the organization. A few years ago he served as chairman at the annual meeting of the Life Presidents Association. C. A. Craig, chairman of the board National Life & Accident of Nashville, the retiring president, made an excellent official on the rostrum, as he always does, being easy, fluent and masterful in his work. Mr. Craig and Mr. Price are two southern officials that are towers of strength to the business.

Craig on the Committee

As has been the custom the retiring president becomes a member of the executive committee and serves for two years. Harry R. Wilson, vice-president American United Life, who was president two years ago and then became a member of the committee, retires at this meeting and Mr. Craig takes his place. Mr. Price, who has been a member of the committee, being elevated to the presidency, left a vacancy and that was filled by electing President James A. McLain of the Guardian Life of New York, who has served as chairman of the Agency Section and is one of the consistent attendants at these annual meetings.

The holdover members of the executive committee are W. T. Grant, president Business Men's Assurance, who was president at last year's meeting; A. J. McAndless, president Lincoln National Life; W. C. Schuppel of Portland, Ore., executive vice-president Oregon Mutual Life, and President L. D. Cavanaugh of the Federal Life.

Strenuous Four Days

This was a strenuous week at the Edgewater Beach Hotel because the proceedings were compressed into four days. It was found that a number of the executives desired to be back at their offices Friday or Saturday morning and, therefore, it was deemed wise to close the proceedings Thursday with the annual dinner dance that evening.

After the preliminary program had been printed, Col. C. B. Robbins, general manager, was fortunate in securing U. S. Senator J. C. O'Mahoney of Wyoming, chairman of the Temporary

National Economic Committee that has been conducting the life insurance investigation, to give a talk. That was a distinct capture, so to speak. The senator closed the proceedings Thursday afternoon. His associates at that session were Dr. Hugh S. Magill of Chicago, president American Federation of Investors, and Lieut. Col. George A. Drew, of Toronto, well known attorney, leader of the opposition in the Ontario legislative assembly.

Agency Section Program

The Agency Section is made a part of the general meeting in that there is no conflict with other sections at that time and all those, regardless of their home office classification, attend this meeting which is of general interest. W. F. Winterble, director of agencies of the Bankers Life of Iowa, presided as chairman and F. F. Weidenborner, agency vice-president Guardian Life, was secretary, he being elevated to the chairmanship for the coming year.

There was a quartet of very interesting speakers for the Agency Section, they being J. C. Higdon, vice-president Business Men's Assurance of Kansas City; C. L. Benner, vice-president Continental American Life of Wilmington, Del.; R. B. Coolidge, superintendent of agencies Aetna Life, and Holgar J. Johnson of New York City, president Institute of Life Insurance.

The general sessions, therefore, were confined to Wednesday afternoon, Thursday morning and Thursday afternoon.

President Craig at the Helm

President Craig got in motion in his major role Wednesday afternoon. However, he had visited the other sections and gave some felicitations and made some observations. At the Wednesday afternoon session he gave his address and Colonel Robbins presented his report. David Sarnoff of New York City, president Radio Corporation, gave a talk.

Dwight L. Clarke of Los Angeles, executive vice-president Occidental Life, who originally was scheduled for the last session, was shifted to the first general session Wednesday afternoon so that Senator O'Mahoney could speak Thursday afternoon. Mr. Clarke presented the paper on investments, that being a topic selected for treatment by an authority each year. After that the U. S. Chamber of Commerce motion picture, "Three Men Build a Nation," was shown.

Executive Session

The executive session, which heretofore usually has been held Thursday evening, had to be scheduled for Wednesday evening because of the four-day arrangement. At the executive session officers were elected, reports received and other business transacted.

Thursday morning came the greetings from the various organizations, Commissioner J. M. McCormack of Tennessee representing the National Association of Insurance Commissioners. He took the opportunity to deliver an address saying that the roots for the TNEC investigation probably lay in the discord and doubts created by various service bureaus. He referred to the counselors, policyholders service bureaus, adjustment bureaus operating on a fee basis, etc. He, therefore, urged higher qualification standards for agents.

Harry Wright Is Heard

Harry T. Wright of the Equitable Society in Chicago, with his feathers hardly dry after being elected president of the National Association of Life Underwriters, represented that body. N. J. Lander of Toronto, managing director of the Continental Life, who is president of the Canadian Life Insurance Officers Association, spoke for that organization. A. O. Benz of Appleton, Wis., president Aid Association for Lutherans, was the spokesman for the National Fraternal Congress, of which he is also the new president.

Another Chicagoan, James S. Kemper, president Lumbarmen's Mutual Cas-

LIFE ADVERTISERS ASSOCIATION PANEL GROUP



FRED L. FISHER, Lincoln National

At the annual meeting of the Life Advertisers Association at Washington, D. C., Oct. 14-16, there will be an interesting panel discussion, three men from the field being pitted against three from companies. The field men are all C.L.U.'s in Washington, they being H.



HARRY V. WADE, American United

Cochran Fisher, Aetna Life, Harold Kraft, Provident Mutual, and Russell Shelk, Reliance Life. From the company side there will be three members of the advertisers association, Fred L.



A. F. SISSON, State Mutual

Fisher, advertising manager Lincoln National; Harry V. Wade, vice-president American United Life, and A. F. Sisson, advertising manager State Mutual.

ualty and head of a large fire and casualty mutual insurance syndicate, president United States Chamber of Commerce, represented that body.

Two Notable Executives

At the Thursday morning session there were two notable executives present who spoke, Walter W. Head, president General American Life of St. Louis, and E. E. Rhodes of Newark, vice-president Mutual Benefit Life. Mr. Head dealt with the political and economic situation in this country owing to the world cataclysm and Mr. Rhodes pointed out life insurance as a distinct business.

In view of the congested situation, three sections were meeting Monday afternoon. Usually Monday is given entirely to the Legal Section and the golf tournament draws those not interested in the legal aspects. However, Monday morning was left alone to the Legal Section with J. H. Cabaniss of Birmingham, general counsel Protective Life, as chairman, and E. A. Roberts, vice-president and general counsel, Minnesota Mutual, secretary, the latter being elevated to the chairmanship at the end of the meeting. There are now two features at the Legal Section meeting that have crystallized into prominence. M. E. Benson, attorney of the American Life Convention at its executive office, gives a review of recent decisions, and Associate Counsel Ralph H. Kastner of the organization reviews the legislation and departmental action. This gives recognition to men of the organization that are well worth while. The Legal Section had its usual luncheon Monday noon with Robert Dechert, counsel of the Penn Mutual Life, as the speaker. It continued its deliberations in the afternoon and had its final session Tuesday morning.

Industrial and Financial Meetings

During Monday afternoon the Industrial Section had its meeting with Curtis P. Kendall, vice-president Washington National of Evanston, Ill., as chairman and B. L. DeWitt of Jacksonville, Fla., assistant secretary and assistant treasurer Peninsular Life, who was elevated to the chairmanship for next year.

The Financial Section also met Monday afternoon, starting with a luncheon and continuing throughout the rest of the day. F. J. Travers, second vice-president Lincoln National Life, presided as chairman with C. F. Nettleship, Jr., secretary Colonial Life of Jersey City, N. J., secretary. Mr. Nettleship

becomes the new chairman. The Financial Section then met Tuesday morning and Tuesday afternoon. Its annual luncheon was Tuesday noon with Dana Backus of White & Case, New York, attorneys, as the speaker.

ANNUAL ADDRESS

President C. A. Craig, in his address, said that the present is fraught with many problems and perplexities to life companies. Decreasing interest rates and TNEC investigation, the European war, the possibility of one of our own, the advisability of a war clause and its terms, all in addition to the usual problems have given executives a busy and exacting year. He considered the paramount problem that relating to constantly decreasing interest rates. He showed the combined experience of 100 companies from 1935 to 1939 inclusive, showing a decline of 3.76 percent to 3.54 last year. The principal causes, he recited, are heavy government borrowing, huge gold imports resulting in largely increased bank deposits, the dearth of domestic and capital demands, the shrinkage of foreign offerings and constant increase of funds seeking investment. In speaking of the future he said the answer comes to the question—when will the conditions responsible for low interest rates disappear?

President Craig said, "I do not feel that too great emphasis can be placed on the necessity for every possible saving in expense. While I realize that it is possible for underwriting to be carried to such an extreme that many justly entitled protection would be barred, in the matter of expense, reduction should not go to the point where any further decrease would be at the sacrifice of efficiency."

TNEC Investigation

He referred to the TNEC investigation, saying that he felt that the grievance of the companies should be particularly against the manner of the investigation rather than its facts. No one can justify an investigation, he said, by any authority unless it is marked by a desire and a purpose to deal with the utmost fairness to the institution. One naturally expects, Mr. Craig said, both respect and fairness of a body like Congress. It is most unfortunate in his opinion that such was not the case in the recent congressional investigation of life insurance. In fairness to the TNEC, particularly through the congressional

members, Mr. Craig said it should be said that prejudice was apparently confined to those directly charged with developing the facts. Mr. Craig said that if there be any companies that are in any respect vulnerable, if there be any whose methods are not altogether of a character both in field or home office, they should get in line. They owe it not only to their own policyholders but to life insurance as a whole to at once correct such methods.

President Craig expressed the belief that there will be no federal supervision and this is based on the sound belief that nothing brought out in the probe and fairly considered in connection with the record the companies have made under state supervision can justify change.

War Clause Situation

Speaking on the war clause, he said there is a variety of opinions. There are those who express doubt as to the expediency of introducing such a clause at this time. There is a difference of opinion as to the character and extent of the clause. He asked, "Does it not appear if such a hazard was considered when rates now prevailing were fixed, there would now be no discussion? In other words, does it not seem that the present discussion can be taken as evidence that no such hazard is contemplated or if so that it was not covered in the rates fixed?" His own thought is that first either all rates should be made to embrace this hazard, or next, all policies state specifically that such a hazard is not covered, or thirdly, when occasions such as the present arise, a rider limiting liability should be used on policies issued to those who will carry the entire risk.

DEFENSE BUDGET

A 25 billion dollar annual budget for an uncertain number of years which it is estimated the United States would have to have if it should become involved in a major war and should put forth an effort comparable to that of Germany would have a powerful impact upon the national economy, Dwight L. Clarke, executive vice-president Occidental Life of California, stated in the general session Thursday. Even if war is avoided, the maintenance of a state of adequate preparedness to confront a victorious Germany, not to mention policies of hemispheric defense, he said, would run the country into similar troubles. Probably

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Cost of Security More Important Than Benefits

O. J. Arnold Tells Casualty People That There Must Be a Halt

WHITE SULPHUR SPRINGS—"Our search for national security can only end in insecurity so long as we concern ourselves too much with the beneficiaries of our governmental institutions and overlook the premium-payer," O. J. Arnold, president of Northwestern National Life, said here. He addressed the joint casualty convention.

Calling the American government "a mutual undertaking," Mr. Arnold compared it to an insurance company. "When benefits are voted, it must be remembered that the premium must somehow be paid. The policyholders of an insurance institution could probably be encouraged to vote themselves all sorts of benefits. To do so would surely be fatal to their future security. And yet it is an appealing and alluring road to follow.

Encouragement to Production

"Anything which offers all benefits without regard to cost or consequence is a very salable proposition. The unthinking, and even some of the thinking public, 'eat it up' while it lasts. In the hands of a smooth salesman, the proposition is almost irresistible.

"In the business of our national security there is only one way we can hope to 'pay the premium,'" Mr. Arnold said. "That is by giving every legitimate and practical kind of encouragement to the productive, wealth-creating forces of this nation. But in all of the contradictory legislation of ours aimed at promoting our national security I see little that is designed to encourage the premium-payer. We have become too deeply concerned with dividing up the benefits to give much thought to the man who pays the premiums.

Must Have Sound Core

"Without a sound economic and social core the most powerful military defenses will collapse inward," the speaker declared, citing France as an example. "The new kind of warfare undermines its opponents with a campaign of doubt and fear, so that their nation will quickly fall apart under stress. We have more than once been warned this is the offensive strategy we will be called upon to meet; that we will be torn apart politically; that our economic machinery is already tottering and will crumble beneath us; that we are a nation torn by division of our people.

"Our only defense against this new and devastating psychological warfare," he declared, "is to build stronger psychological defenses — unshakable confidence by all classes of people in the institutions they have built to provide them with national security. Such confidence can be created only by strengthening those institutions themselves."

Inner Defenses Weakened

Instead we have dangerously weakened our inner defenses, Mr. Arnold stated; our very passion for security is defeating itself because for years "we as a people have been operating a government of, by, and for the beneficiary only, tactics which will wreck any institution or government; we have kept a large portion of our population dependent on subsidy. Instead of taking the steps

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Reinsurers Feel War and Air Hazard

Net Lines on Military Prospects Cut, War Clause Hoped For as Solution

NEW YORK—Reinsurers are hopeful that the direct-writing companies will soon promulgate a general war clause as the war risk adverse selection tends to be concentrated where reinsurance is concerned. Many direct writing companies have reduced their retentions on single men of draft age, which means that the reinsurers get more than their normal share of risks with an actual or potential war hazard.

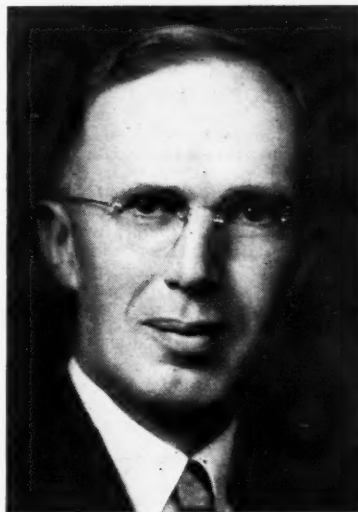
While the aviation hazard looms up as a large part of the war risk, this would be adequately taken care of by a general war risk exclusion even though the exclusion were to apply only in time of war. If the danger of death resulting from combat were taken care of, there would not be much concern about possible deaths in training accidents. However, where the aviation hazard is known to exist, as in the case of students taking the Civil Aeronautics Authority civilian pilot training course, the practice among reinsurers as well as many direct writing companies is to insist on an aviation exclusion rider.

Take Seasoned Pilots

In spite of the aviation risk reinsurers in general are willing to take pilots who have had sufficient training and experience in the air. One company, for example, will take army and navy pilots after they have had 200 hours experience for amounts up to \$2,500 without a war clause.

Some direct writing companies felt that, because of the impetus given to

New President



D. N. WARTERS

D. N. Warters, associate actuary of the Bankers Life of Iowa, who becomes president of the Life Office Management Association, graduated from the University of Manitoba in Winnipeg in 1917 and entered the actuarial department of the Great-West Life of that city. He went with the Bankers Life in 1920 and is now associate actuary. In the Life Office Management Association he has written papers and served on various committees. He was a director, 1936-39, and last year was vice-president.

aviation through the CAA courses, the reinsurers would become more liberal toward aviation risks. However, there

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Life Companies and Mortgage Men Talk of New Farm Loans

Plan Insurance Setup Similar to FHA—Craig and Benner on Program

Cooperation of life insurance companies and mortgage bankers on a plan to insure farm mortgages was discussed at the convention of the Mortgage Bankers Association of America at Chicago last week and it is understood that negotiations will go on between representatives of the interests involved. Many life insurance men attended the convention. E. W. Craig, Nashville, executive vice-president National Life & Accident, and Dr. C. L. Benner, Wilmington, Del., vice-president Continental American Life, were on the program.

No details were made public regarding the proposed farm mortgage insurance plan, other than the statement of S. M. Waters, Minneapolis, past president Mortgage Bankers Association, that a mutual insurance plan similar to that used by the Federal Housing Administration on residences is feasible for the farm loan field. He said that its adoption would mean that large institutional investors, with plenty of idle funds on hand, would again buy farm mortgages.

Farm Loans Fall

Mr. Waters said that the farm mortgage debt is now about \$7,000,000,000, against a maximum of \$11,000,000,000 in 1920, and that federal lending agencies now own about 40 percent of farm mortgages, with about another 40 percent held by private investors such as country banks and individuals. He pointed out that the FHA mutual mortgage insurance system gives the federal government all the necessary regulation and control over rate charges, commissions, lending territories and types of securities without requiring the government to furnish any funds and without any government subsidies.

Speaking on "Public Relations in Business," Mr. Craig said that much of the difficulty financial institutions have found in dealing with the public can be traced to the impression common at one time that a person who wanted to borrow money "had to do a lot of begging, pleading and explaining" and that some money lenders therefore concluded they were philanthropists. Money is now plentiful and the borrower is in demand. He said that public relations cannot be assigned to one man or one department, but is a permanent job for everybody in the organization, from the telephone girl to the president. He cited some examples where indifference or inattention on the part of a minor employee dealing with rentals has cost institutions valuable customers in the sales and loan end of the business. It is most important, he said, for a branch manager to give his personal attention to the smallest complaint. He reminded his audience that the present borrower's market will not last forever and urged the bankers to protect their relations with their permanent sources of investment capital against the day when a lender's market returns.

Dr. Benner Speaks

Fears of inflation were minimized by Dr. Benner, who is widely known as an economist. He said he was not so much afraid of inflation during the coming year as of failure to take the necessary steps to stimulate the nation's pro-

DAUGHTER TO COLLEGE

He was a banker whose business took him abroad once every year. Back home he had a daughter just entering grammar school, and on her first school day he started a plan to assure her future education. Most of his own time he spent making investments for others, and in this instance so vital to himself he chose life insurance.

After he had paid six annual premiums, he died. The educational fund was held by our Company until the daughter reached 17; meanwhile quarterly interest payments were sent to the mother.

The 60th and final monthly educational installment of \$202.95 has just been paid to the mother as trustee,—a total of over \$12,000.

The forethoughtful father was not present at the daughter's graduation, but the mother was, and she wrote:

"With sincere regret and infinite gratitude I acknowledge the final installment of the educational policy. Because of this policy she has had four most happy and successful years at college. You may be sure that wherever I go I advise everyone with children to take out similar policies to that which has given us so much happiness and security."

* * *

THE PENN MUTUAL LIFE INSURANCE CO.

WILLIAM H. KINGSLEY
Chairman of the Board

JOHN A. STEVENSON
President

INDEPENDENCE SQUARE, PHILADELPHIA

duction to its fullest capacity. He listed the following steps as necessary:

1. A revision of the labor relations act, so that employers as well as employees can get a fair deal.
2. A revision of the whole tax structure, so it will penalize initiative as little as possible.
3. A fair attitude toward holding companies, so that private utility companies will be able to finance necessary expansion.
4. A somewhat more lenient administration of the control over securities markets, so that the spirit of speculation so necessary for an expansion in business will not be killed.
5. A different attitude on the part of government toward private enterprise, a letting up on so-called reform legislation, a general loosening of government control over business and a cessation of governmental competition with private industry.

Among the life insurance men attending the convention were W. P. Gamble, Connecticut General, W. H. Rolatt, Pacific Mutual, R. D. Swinehart and E. H. Warner, Aetna Life, W. B. F. Hall, Lincoln National Life, A. M. Burke, Occidental Life, F. W. Studier, Lutheran Mutual Life, L. C. Janisse, Western & Southern, R. B. Richardson, Western Life of Montana, G. J. Crook, Lincoln Liberty Life, R. F. Evans, Volunteer State Life, J. J. Cadigan, New World Life, T. S. Burnett, Pacific Mutual, Irving Bjork, Connecticut General, F. J. Eberle, Connecticut Mutual, A. F. Modisette, Phoenix Mutual Life, O. P. Scheller, Connecticut General, H. M. Tenney, Connecticut Mutual, R. B. Montgomery, Acacia Mutual, E. D. Auer, Lincoln National, T. A. Murphy, Lincoln National, R. E. Buckingham, Central Life of Iowa, J. S. Corley, Bankers Life of Iowa, J. M. McGill, Equitable Life of Iowa, H. E. Handford, and R. B. Patrick, Bankers Life of Iowa, W. L. Read, Central Life of Iowa, Dwight Foster and R. S. Willis, New England Mutual, C. C. Mullen, Columbian National, J. W. McClaren, Berkshire Life, H. C. Peiker, Massachusetts Mutual, C. E. Baldwin, Jr., State Mutual of Massachusetts, J. M. Campbell and G. C. Holmberg, Northwestern National, N. H. Nelson, Minnesota Mutual, C. N. Tedles, Business Men's Assurance, J. G. Driscoll, General American, E. B. Drake, Bankers Life of Nebraska, Croswell Morton, Home Life, M. F. Goodbody, Metropolitan Life, Robert McDowell, J. A. McClain and B. B. Tounzey, Guardian Life, Francis Stabler, Metropolitan Life, E. C. Edmonds, Ohio National Life, P. J. Vollmar, Western & Southern, C. H. Chamberlin, Metropolitan Life, Herbert Adam, Penn Mutual, E. L. Carlson, Fidelity Mutual, A. C. Bryan, Provident Life & Accident, Holt Bean, Life & Casualty, G. D. Brooks, National Life & Accident, W. G. Weaver, Jr., National Life & Accident, A. R. Kershaw, Life of Virginia.

From the Chicago metropolitan district were listed William Barts, Mutual Trust, T. C. Ernest, Penn Mutual, D. F. Gladish and C. A. McElvain, Western & Southern, T. J. Griffin, Washington National, Jock Miller, Occidental Life, K. W. Parkinson, John Hancock, C. A. Barrett, Metropolitan Life, G. A. Beaumont, Continental Assurance, A. C. Cody, Equitable Society, J. F. Kennedy, E. W. Swanson and E. A. Whitney, Metropolitan Life, H. E. Wood, New York Life, and S. Van Berschof, Continental Assurance.

Tunis W. Van Hoesen, assistant treasurer Fidelity Mutual Life, died Oct. 6 after a brief illness. Mr. Van Hoesen was in his 72nd year and had been with the Fidelity Mutual since 1884, having been a charter member of the 50-Year Club. Throughout his nearly 56 years of service he was intimately in touch with the collection of premiums amounting yearly to many millions of dollars. In 1913 he was made head of the note division of the accounting department and in 1930 was elected assistant treasurer.

Mortality Table Change Would Be Useless, Beers Says

NEW YORK—The life insurance business is in the "silly predicament" of using an outmoded mortality table based upon rather meager data but since changing to a modern table would not change aggregate reserves nor make any real change in the net cost, "we must hope that the public will forgive us," H. S. Beers, vice-president Aetna Life told the New York City Life Supervisors Association. Two reasons for this hope, said Mr. Beers, are first that permission to use a modern mortality table would require lobbying in practically all the 48 states and second that the public is becoming a little suspicious of "streamlining" everything, having perceived that it usually makes little practical difference.

Mr. Beers said that he thought the progress the companies are making in better selection and training of field men is more to the point than any great amount of effort devoted to streamlining the mortality tables.

Mr. Beers led off with an amusing description of the difficulty of anyone trying to defend the use of the American experience table against a hostile critic. He pointed out how very easy it is for a layman to get up a blast about using an antiquated table, overcharging the public and on top of that adding on a loading.

S. M. Weiland, Aetna Life, president, announced the new committees, chairmen of which are as follows: Executive, W. C. Smerling, Berkshire Life; educational, Carl Smith, Connecticut Mutual; program, Thomas Stanion, New England Mutual; compendium, E. B. Eichengreen, Prudential; entertainment, Harold Cronin, Prudential; membership, R. A. Maier, Aetna Life; public relations, Robert Lahm, Prudential. Mr. Smerling was designated as representative to the New York City Life Underwriters Association and S. D. Rosan, Union Central, as representative to the New York City Life Managers Association.

Philadelphia Actuaries Are Continental American Guests

At its first fall meeting the Actuaries Club of Philadelphia was taken on a tour of the new home office building of the Continental American Life of Wilmington, Del. President Rydgren, Vice-president Bell and Associate Actuary Amerman conducted groups of visiting Philadelphia actuaries through the various departments. At the conclusion of the tour, the club gathered in the executive offices of the company for a business meeting.

John Dyer of Towers, Perrin, Forster & Crosby led a discussion of employee retirement plans. He said there is a definite trend away from self-insurance to retirement plans underwritten by life insurance companies. New plans are built around social security benefits and some previously existing plans have been altered to include social security benefits. Taxation features and accrued liabilities are two other important considerations in any retirement plan.

Charles West, Provident Mutual, reported progress for his committee on study groups for actuarial students in the Philadelphia area. Other members of the committee are H. G. Hurd, Fidelity Mutual, and A. F. Schwartz, Penn Mutual.

Ketchum Testimonial Dinner

David Broderick, chairman Dearborn National companies, was host at a dinner to 20 guests in honor of J. C. Ketchum, who recently resigned as vice-president and director Dearborn National companies to join the Michigan insurance department. Among those

present were Commissioners Emery of Michigan and Read of Oklahoma, F. M. Petree, Oklahoma assistant commissioner, and friends and associates of Mr. Ketchum in the Dearborn National companies. Mr. Broderick presented Mr. Ketchum a piece of luggage and his associates gave him a pen and pencil set.

Taylor Advertising Director of Connecticut General

J. P. Taylor, formerly in charge of advertising and sales promotion for American Radiator Company, has been appointed manager of sales promotion by Connecticut General Life. He will have charge of public relations, advertising and related subjects. He has had more than 12 years' experience in handling this type of work outside the insurance business and the company feels that he will therefore have the advantage of approaching insurance problems from a fresh viewpoint.

Knott Will Not Resign

TALLAHASSEE, FLA. — A report that Commissioner Knott will resign before his term expires Jan. 7 is denied by Mr. Knott, who states that he will stay on the job to the end of his term. He was not a candidate for reelection.

Eleven May Take Colorado Commissioner Examination

DENVER—As many as 11 applicants for the job of insurance commissioner may be examined by the civil service commission Oct. 18, the commission states. Several others already have been rejected because they did not meet educational requirements. Now 11 names are being considered. When a detailed analysis of each application is made, some of these names may be rejected.

Earlier plans to have a committee of insurance men compile the questions for the examination has been abandoned. Instead, they are being made up by the legal and business administration departments of Colorado University. Because of the press of other work, results of the examination will probably not be made public until at least a month later.

Meanwhile, Commissioner Kavanaugh, whom Governor Carr sought to oust last week to make way for his personal appointee, Somers E. West, is still in office and will probably remain there at least until after results of the examination are made public. Apparently Mr. West has taken no action toward moving into the commissioner's office and it is considered unlikely that he will take any action at present.

Continental American's

MODERN SALES ADVANTAGES

No. 2—TERM ADDITIONS . . .

what is it?

"Term Additions" is a Continental American privilege which permits you to use your dividends to purchase a large amount of extra protection each year. At age 35, for example, each dollar of dividend will buy \$115 of additional insurance on this plan, and each succeeding dividend can be applied the same way regardless of health or insurability. It is a plan that wrings the last drop of protection out of the premium dollar.

Term Additions is one of Continental American's "points of extra protection." A booklet published by the Company explains it to the prospect.

Continental American Life Insurance Company

WILMINGTON, DELAWARE

A. A. RYDGREN, President

OPPORTUNITIES are now open in West Virginia, Virginia, Massachusetts, Connecticut, New York, New Jersey, Pennsylvania, and Ohio

Illinois Republican Insurance Men Organize to Fight

Republican insurance men of Illinois have formed the Republican Insurance Committee, a division of the Illinois Republican State Central Committee, and are waging a vigorous campaign in the final month before election. J. L. Clarkson, Bartholomay - Darling - Clarkson, Chicago, is chairman; Alvin S. Keys, Springfield, vice-chairman in charge of down-state organization work, and L. P. Warren, Associated Agencies, Chicago, is secretary.



F. P. Bieriger

A number of outstanding life men are active in the organization, including F. P. Bieriger, general agent Connecticut Mutual, Rockford, president Illinois State Association of Life Underwriters; H. M. Solenberger, Mutual Benefit, Springfield, past president Springfield and Illinois associations; B. J. Stumm, general agent Northwestern Mutual, Aurora, past president Aurora and Illinois associations, and C. F. Axelson, Northwestern Mutual, Chicago, past president Illinois association. Charles B. Stumes, Stumes & Loeb general agency Penn Mutual, Chicago, is active in the organization.

Mr. Clarkson is past president Chicago Insurance Agents Association and Mr. Keys is past president Illinois Association of Insurance Agents.

Objectives Are Outlined

The three major objectives outlined are: To defeat all attempts to establish federal supervision and control of insurance; to assure that the administration of the Illinois insurance department will be efficient, effective and free from destructive operation of partisan politics, and to stop the diversion and coercion of honestly earned insurance business from its natural local channels to favored politicians. The committee declared the Republican candidates subscribe to these three principles; that Wendell Willkie, candidate for President, stands for state supervision of insurance, and D. H. Green, Republican candidate for Illinois governor, has given a definite pledge to follow out the second and third principles above.

Initial expenses of the committee have been underwritten by a group of prominent insurance men and the campaign is being organized county by county, and in Cook county, by townships in outlying districts and by wards within the Chicago limits.

Committee's Statement

"Through exceedingly sinister means, direct and indirect, insurance men who are devoting their entire time to the business have been deprived of thousands of risks that were on their books and have been denied a fair opportunity of writing such as their new business," the committee stated. It charged that "political greed has developed in the past two years and, therefore, it has been made necessary to mobilize insurance people of Illinois into a political unit that will command the respect of officeholders."

Support is being given to the organization by the following insurance men: A. J. Anderson, Kewanee; William Bartholomay, Elmer D. Becker, Charles Buresh, Charles H. Burras, H. J. Chidley, Lyman M. Drake, P. B. Hosmer, D. R. McLennan, Jr., Fred J. Sauter, George A. Seaverns, Jr., Herman D. Smith, W. Herbert Smith, E. H. Walter, G. W. Blossom, Jr., C. O. Swanson, Robert L. Childs, all of Chicago; G. A. Brodine, Rockford; H. H. Cleveland, Jr., Rock Island; Donald P. Frazier, Aurora; J. Logan Gover, Mattoon; Frank C. Hinchman, Jr., Galesburg; J. E. Martin, Peoria; H. H. Monier, Cham-

paign; D. V. Moody, Elgin; V. G. Muselman, Quincy; C. C. Nicholson, Decatur; Gail B. Ranson, Jacksonville; Harold Schoen, Elmhurst; L. B. Tuthill, Anna.

American Life, Ia., Suit Set

DES MOINES—Hearing on the suit of Commissioner Fischer of Iowa to administer the \$3,603,419 securities of

the former American Life of Des Moines has been set for the United States circuit court of appeals in St. Louis on Dec. 19.

Ernest Palmer, Illinois insurance director, went to White Sulphur Springs, W. Va., to attend the casualty convention and play some golf. While there he was notified of the death of Governor Horner of Illinois. He returned

to Chicago Tuesday to attend the funeral that afternoon. That evening, he was present at the banquet tendered Harry T. Wright, Equitable Society in Chicago, who recently was elected president National Life Underwriters Association.

E. T. Stump, Cleveland manager Metropolitan Life, will be honored at a 30 years service dinner Oct. 17.

SalesMANship

"Bad will be the day for every man when he becomes absolutely contented with the life that he is living, with the thoughts that he is thinking, with the deeds that he is doing, when there is not forever beating at the doors of his soul some great desire to do something larger, which he knows that he was meant and made to do because he is still, in spite of all, the child of God."

Phillips Brooks some years ago made the statement quoted above. The Midland Mutual Life Insurance Company, like Phillips Brooks, realizes the power secured in the development of the inner man.

The most important part of Salesmanship is the man. The unfolding of the man will enable the sales ship to sail a smooth course and reach the harbor of success.

The Midland Mutual's every effort is bent toward helping develop its men, thereby enabling them to earn a better income through better service. With such a company, opportunity beyond your present vision awaits you.

Progressive men look for opportunities. We solicit your inquiries into the Company's standing—its contracts, its territories, and above all its help in building men for greater success.

THE MIDLAND MUTUAL LIFE INSURANCE COMPANY

Columbus, Ohio

Garrett Heads N. Y. Federation

NEW YORK—In view of general unsettled business conditions and the anticipation that a number of measures of high importance to insurance would be offered at the forthcoming session of the state legislature, members of the Insurance Federation of New York, at their annual meeting here followed the proceedings with the closest attention.

At the business session the address of President J. F. Ackerman was followed by reports from F. N. Dull, chairman executive committee; R. S. Choate, chairman finance committee; L. L. Saunders, executive secretary and A. J. Young, treasurer, after which officers for the new year were chosen the following named being unanimously elected:

President, J. R. Garrett, National Casualty, New York; vice-presidents, F. P. Tucker, Albany, J. F. Ackerman, Binghamton; R. T. Paine, Far Rockaway; J. E. Lewis, New York, and J. L. Tiernon, Buffalo; treasurer, A. J. Young, Albany Board of Underwriters. The post of executive secretary, long held by L. L. Saunders, is appointive, and that he will be renamed is a certainty.

Acceptance of directorships by Julian S. Myrick, manager Mutual Life, and Ralph G. Engelsman, general agent Penn Mutual Life, both of New York, means considerable support will be given by the life insurance interests to the federation activities.

Mr. Garrett spoke most appreciatively of the results achieved by R. S. Choate, vice-president American Automobile, as chairman of the membership committee.

At the banquet 650 members and guests were present. F. N. Dull, Continental Casualty, as toastmaster, introduced Dr. A. A. Stockdale of the National Association of Manufacturers, the guest speaker. Superintendent Pink, who also was to have made an address, was forced to cancel the engagement at the last minute.

Mr. Dull, reporting as chairman of the executive committee, said the federation has about 20,000 members, but it should have more than 100,000. Every agent and broker and every employee of insurance companies in all lines have a vital interest in what the federation seeks to accomplish, he declared. The primary purpose of the federation, he said, is to provide organized opposition to any movement, the effect of which might create or lead to creation of insurance in any form by the state or any of its subdivisions. Had the federation been in existence at the time, he said, formation of the New York state workmen's compensation fund might have been avoided or at least it would have been forced to operate on equal terms with private companies.

Four Companies Awarded in Direct Mail Contest

In the annual contest of the Direct Mail Advertising Association, four life companies received honorable mention when awards were made at the association's annual banquet in Atlantic City. They are: Aetna Life, Bankers Life of Iowa, Midland Mutual Life and Provident Mutual Life. The president of the association, L. R. Walter, manager Flintkote Company, in making the awards, said that there were 30 percent more entrants than in any previous contest.

The Effective Letters Cup, given by A. W. Theiss, sales promotion manager Ohio National Life and chairman of the association's membership committee, was awarded to the Eastern Airlines, Inc. Mr. Theiss was elected to the board of governors at the annual business meeting.

More than 60 members of the Prudential Athletic Association took part in the annual fall golf tournament. William Hilditch carried off first honors.

To Preside at Medical Directors' Convention



DR. HAROLD M. FROST

Dr. Harold M. Frost, medical director of New England Mutual Life, will preside at the meeting of the Association of Life Insurance Medical Directors of America in Boston Oct. 16-18. He is president of that association.

Ill. Insurance Committee Formed to Boost Hershey

Announcement has just been made by Dr. J. H. Pearce, associate general agent Connecticut Mutual Life, Peoria, of the formation of the Illinois Insurance Committee for the purpose of maintaining and advancing the insurance interests in Illinois by the election of Harry B. Hershey as governor. Dr. Pearce is state chairman and Mrs. Catherine Boyle, Minnesota Mutual Life, is secretary of the committee, which has opened headquarters at Suite 222 Hotel Sherman, Chicago.

"The past seven years," Dr. Pearce states, "much progress has been made by the insurance department to win back the self-respect of the insurance business. The Illinois insurance committee is organized on an independent basis for the purpose of assuring the continuance of this excellent leadership through the election of Harry B. Hershey. Insurance men and women who feel that the department of insurance has been efficiently managed and wish to continue this same type of supervision—regardless of any national political affiliation—should join in this movement."

Circulars setting forth reasons why Mr. Hershey should be elected are now in preparation and a large luncheon meeting for insurance people in Cook county is scheduled for the Hotel Sherman the latter part of October. Those agents, brokers and company representatives who wish to be identified with this movement may communicate with Mrs. Boyle at the Hotel Sherman headquarters.

Addresses Pa. Life Advertisers

L. S. Roney of the Franklin Printing Company, which is Benjamin Franklin's printing shop still in business since 1728, spoke before the Keystone Group of the Life Advertisers Association at the October round table meeting in Philadelphia. His subject was economical layout for sales promotion printing, by which he meant not how to get the cheapest but rather how to get extra value from the same output.

H. G. Swift, Bryan, O., general agent Lincoln National Life, is the newest member of the Quarter Century Club, consisting of those who have served the company in the field for 25 years. Mr. Swift started as cashier of the home office agency. He entered the field as an agent in Ohio in 1915.

Kenigson Made President of Middle Atlantic Actuarial Club

At the fall meeting and election of the Middle Atlantic Actuarial Club, Richmond, Va., George Kenigson, associate actuary Sun Life of Baltimore, was elected president, and Miss Florence A. Watts, actuary Monumental Life, vice-president. Miss Helen R. Gibson, assistant actuary Monumental Life, was reelected secretary-treasurer. Bryan Glenn, chief actuary Railroad Retirement Board, was named to head the program committee.

Following the election, C. A. Taylor, actuary Life of Virginia, presented a note on "Infantile Industrial Mortality" dealing with the experience of that company. R. P. James, actuary Atlantic Life, spoke on the "Outlook for Premium Rates and Surrender Values." E. M. Thore, assistant counsel Acacia Mutual Life, gave results of his intensive study of current developments in connection with war clauses. Mr. Thore's remarks were in extension of a paper on "War Clauses" presented at a previous meeting by Mr. Thore and L. K. Crippen, vice-president and actuary Acacia Mutual. W. R. Williamson, actuarial consultant, and L. O. Shudde, senior actuarial mathematician Social Security Board, gave informative talks on "The Actuary in War Time."

Among the guests were S. L. Booke, secretary and actuary Security Life & Trust, Winston-Salem, and S. C. Tatum, assistant actuary Jefferson Standard Life. The next meeting will be held in Washington, D. C., Feb. 21.

Occidental Life Takes Over Bankers' FHA Loans

LOS ANGELES—The "American Banker," in its last issue has the following item relative to Occidental Life:

"Several of the banks of the 12th district which have been most active in the FHA mortgage field are lightening their portfolios, it is understood here, by selling a part of their mortgage holdings to the Occidental Life Insurance Co. So far as the public is concerned the mortgage appears to remain in the hands of the local bank, for the contract of sale to the insurance company provides that the local bank will continue to handle the service of the loan. For this it gets one-half of 1 percent service fee."

"The procedure, incidentally, is building up Occidental's insurance in force figure, because when it takes over a mortgage it attempts, as a rule with success, to sell the borrower a life policy in the amount of the face of the loan. Principal of the policy declines with the amount of the mortgage outstanding. It is the same principle as that developed to insure the lives of borrowers under personal loan plans, although, of course, the premium is higher. A personal loan borrower gets life insurance on a one-year term basis while the mortgage borrower gets a term policy running to 20 years or more on a part of his debt. Occidental doesn't seem to be pushing the policy to any great extent, but for the average borrower under FHA the policy should have a strong appeal."

Executive Vice-president D. L. Clark of Occidental, commenting on the story, said that while Occidental is purchasing FHA loans in large numbers, the total of insurance in force on the business is a small percentage. The company has not pushed the sale of this business, but Mr. Clark said he considered it a good opportunity for the life salesman, as it presented the prospect all wrapped up in a package ready for a closing talk, because all the data as to the prospect, his family, income, etc., was contained in the FHA papers. He also said it was his opinion the business, if written, would be profitable.

Gerard Nollen, president Bankers Life of Iowa, and W. F. Winterble, director of agencies, visited E. Hal Blair, Nashville general agent, and conferred with agents in middle Tennessee.

Companies Give Position on Covering Drafted Men

In regard to the coverage of men who may be called into service under the draft law, Business Men's Assurance states that life policies now in force may be continued at the present rate, regardless of change of occupation or participation in military or naval service.

Applications from new applicants who have already been called for military or naval training, or who are members of the national guard, will be considered for life insurance on the same basis as regular army and navy men. Enlisted men are eligible for life insurance on regular life or endowment forms (not term) up to \$5,000, at an extra premium of \$5 per \$1,000 without disability benefits or double indemnity. Commissioned officers are eligible for life insurance on regular life or endowment forms up to \$5,000 at standard rates, with disability No. 1 and double indemnity but without disability No. 2.

Whenever an applicant has any connection with aviation or is likely to have, an aviation exclusion supplement will be included in any policy issued.

The Monarch Life states that so long as the country remains at peace, coverage will be in no way affected by military or naval service with the United States forces. None of its policies written since July 1, 1939, contains a war clause. Since the war clause formerly used expired five years from the effective date of the policy, all policies issued in the past five years are in effect as though no war clause had ever been present in them.

The company feels, however, that prospects who are likely to be conscripted and prospects who are now members of the national guard and therefore liable to call to active duty should be solicited only in exceptional cases and with a high degree of discretion.

Penn Mutual Ads to Strike Note of Patriotism

Penn Mutual Life, commencing Oct. 19 in the "Saturday Evening Post," will carry a number of advertisements in the form of editorials on patriotic subjects by President John A. Stevenson. The first such display is entitled "Our No. 1 Business Is America." There is a picture of the capitol dome in the background with a group gazing upon it, including a boy on his father's shoulder.

"Because I'm in the life insurance business," the editorial from Mr. Stevenson states at one point, "my first concern, even in normal times, is with the security and independence of people. But with every passing day, it is becoming increasingly clear that where there is no democracy, there can be no free enterprise. And since there exists a threat to our democracy, I believe that everyone of us, no matter what we do for a living, should make the preservation of this democracy our first and foremost business at this time."

During 1940 Penn Mutual's national advertising twice a month in the "Saturday Evening Post" has been a half-page message over the signature of Mr. Stevenson, in his words and through his personality. The Penn Mutual's advertising agency described it as "What we believe an ideal advertising premise—an accepted authority talking simply and directly on a subject that he knows from unusually broad experience, to people in all walks of life, about things we want to know about the business."

Report 131 Conquistadores

So far 131 members of the Occidental Life's Los Conquistadores Club have qualified for the trip to New Orleans, including 12 from Hawaii and China, and 10 from Canada.

Life Insurance Counsel Muster

The annual meeting of the Association of Life Insurance Counsel will be held at the Waldorf-Astoria, New York City, Dec. 3-4.

RECORDS

Home Life, New York—Showed \$2,348,388 gain in paid business the first nine months, in which it made the best record for any similar period since 1931 and better by 19.4 percent than the average three-quarter year record for the past five years. September was 10.7 percent ahead of the same month last year and was the best September since 1930.

Equitable Life of Iowa—A gain in paid business volume of 2.3 percent was recorded in September as compared with the corresponding month of 1939. Paid production was \$3,822,978. This was the eighth successive gain month and total paid business for the year to date is \$37,486,728, a gain of seven percent above the corresponding period of 1939.

The Griffin, Ingram & Pfaff agency, Chicago, led in production honors in September. Second place went to the Rice Agency, Harrisburg, Pa. Other leading agencies included Detroit, Cleveland, and Davenport. E. F. Fendt, Chicago, Griffin, Ingram & Pfaff, was the leading personal producer with E. W. Lemonds, Sioux Falls, second. Mr. Lemonds is the leader in both volume and number of applications paid for the year to date.

Lamar Life—A gain of 14 percent in new paid business was shown during September over the same month of last year.

Franklin Life—September is the biggest month so far this year, showing an increase of \$124,440 over August, which in its turn had surpassed all previous months of the year. September was greater than the same period last year by \$376,231. The company's business has expanded steadily since the first of the year. The second quarter was more than \$300,000 larger than the first, and

the year. The third quarter was more than \$300,000 larger than the second, and exceeded the third quarter of 1939 by almost \$500,000.

American Mutual Life—Recorded another "gain month" in September—the 21st such month in the last 23—by writing a volume of business 53 percent greater than in September, 1939. The gain in insurance written for the year to date is 11 percent more than a year ago. Agents are now engaged in a "get out the votes" campaign which started on Sept. 5 and which will end on the presidential election date, Nov. 5. Competition is based on a vote getting scheme in which paid-for business only will count, with extra votes being given for the writing of quality business.

Starting Oct. 1 and running concurrently with this campaign, American Mutual Life men will honor J. J. Moriarty, vice-president, who is completing his third year as directing head of the field force, and whose birthday anniversary occurs during the month.

Comments on Savings Bank Life Insurance Results

Eighteen savings banks in New York state have issued life insurance \$10,500,000 since the savings bank life insurance law went into effect. At the annual convention of the Savings Bank Association of the State of New York, G. D. Wheden, president of the Monroe County Savings Bank of Rochester, declared that life companies are recognizing that savings bank life insurance is not adversely affecting their business, for, he declared, this form of life insurance is bought and not sold and no one individual may purchase more than \$3,000. He gave statistics showing that of those applying for savings bank life insurance, 91 percent earn less than \$50 a week, 55 percent less than \$30 a week while two-thirds of the applicants are under 40 years of age.

Life Companies' Handling of Farms Aids Agriculture

LINCOLN, NEB.—After studying reports made by life companies, and also personal inspection in some instances of their handling of farm properties into the ownership of which they have been forced by depression and drouth, Insurance Director Smrha believes it is one of the best things that ever happened to Nebraska agriculture, whatever the financial result may be to the companies.

The almost invariable practice, he says, has been to repair and paint buildings, rebuild the soil by adoption of modern conservation methods and apply scientific methods to cultivable fields, including summer fallow and destruction of the bindweed which has impoverished thousands of acres in the state. Mr. Smrha says that when these farms are sold to land owners on the return of normal conditions, Nebraska will have a very much improved farm plant, both as respects physical equipment and increased productivity of acreage.

EQUITABLE SELLS 149 FARMS

DES MOINES—The Equitable Life of Iowa has sold 149 Iowa farms the first nine months of 1940 and the outlook is very good for many additional sales before the year closes. It now has sold 65 percent of all farms acquired in Iowa.

Sales of farms this year, as for the past three years, have been largely to actual farm operators. Of the Equitable's sales in Iowa, 90 percent have been to actual farmers, which farms are today occupied by the purchaser, or by members of his family. Most of the Iowa land sales have been to buyers living within 15 or 20 miles from the land purchased, 15 percent of them to the company's own tenants.

Many men who have been farm tenants for a period of years and young men who are starting out in farming

have been since 1934 and now are, able to purchase well improved farms on liberal terms.

Appeal Decision on Tax Basis of Gift Policy

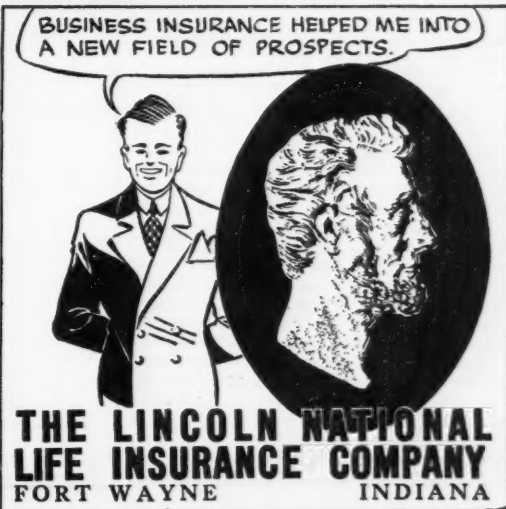
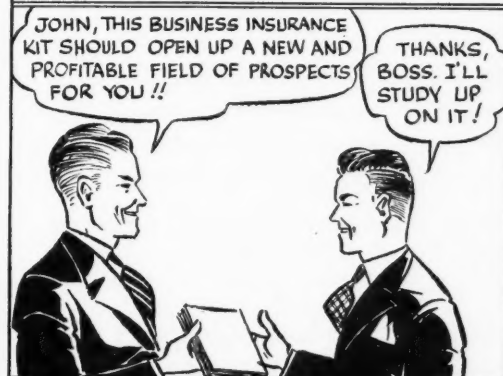
CINCINNATI—The internal revenue department has appealed from a decision of the board of tax appeals which holds that the cash surrender value of a single premium life insurance policy, at the time of its transfer to others, is the basis of valuation for gift tax purposes. The petition has been filed with the United States circuit court of appeals here.

The case involved a refund to Mrs. Edith W. Corning, who purchased policies having a total face value of \$400,000 in 1935, paying single premiums totaling \$311,614. She transferred them to her husband and two other persons as trustees under an irrevocable trust conveyance for the benefit of her seven children. The internal revenue department held that this was taxable on the amount of the premium and was entitled to an exemption of only \$5,000 for gift tax purposes. Mrs. Corning appealed from the commissioner's decision to the board of tax appeals, which reversed the ruling and held that the cash value at that time, \$256,860, was the proper value for tax purposes and also that each of the seven beneficiaries was entitled to an exemption of \$5,000. Mrs. Corning was awarded a refund of \$4,387, which has now been appealed by the government.

James H. Brennan, Chicago general agent of Fidelity Mutual, and Mrs. Brennan announce the birth of a son, J. H. III. There are three daughters in the Brennan household.

Ray Belknap, director of agencies for the Occidental Life of Los Angeles, while on his way home from the Philadelphia convention stopped in San Antonio to visit the W. J. Blythe agency.

HOW JOHN LINCOLN ENLARGED HIS FIELD OF PROSPECTS WITH BUSINESS INSURANCE!



Elect Julian Price Head of A. L. C.

(CONTINUED FROM PAGE 2)

it would mean inflation, he commented. Certainly it would mean taxes beyond the wildest fears of yesterday.

"Despite the soothing reassurances of politicians who avoid realities," he said, "does it not certainly mean a lower standard of living of the average American? In his reaction to grim fact, how will he view life insurance? Will he pay out as high a percentage of his income for premiums? Will not circumstances force him to curtail the savings portion of those premiums and more and more make protection for his dependents his primary consideration? Will he not be forced to confine himself to income replacement insurance? These are only a few of the lively possibilities that we face. How well prepared is the institution of life insurance to carry on in such a new era? How may we better gird ourselves for the task?"

R. C. A. HEAD TALKS

The year 1940 may go down in history as one of the darkest ages, David Sarnoff, president Radio Corporation of America, stated in a talk on "Science and Security" in the general session Wednesday. Human freedom everywhere is in mortal danger, he said, yet if England survives the effect of the catastrophe overseas may be dissipated in the dawn of a better day. He said a more intensive study of social science should be made. "What I do ask is whether, in a nation of free men and free enterprises, the challenge of social science should not be voluntarily met, in part at least, by those self-supporting and self-governing institutions which have an economic station in the social welfare of the people," he asked. He said that dictators who boast that the things they are creating will last 1,000 years ignore lessons of history. "They will fail and must fail, as long as there is a single island where the human spirit survives and human intelligence is left free," he concluded.

Before the national defense program is completed, the national debt will rise to 60 billions, thereby weakening national credit appreciably and forcing rapid increase in taxes, Col. C. B. Robbins, manager and general counsel, stated in his annual report. He discussed war clause action, thus far only a few larger companies having included a war clause in their policy, and applying only to certain risks. The past legislative year generally has been a favorable one, he said, relating to social security measures and application of various states unemployment compensation acts to insurance agents. There has been some concern over congressional bills which would deprive insurance agents of their exemption from the unemployment compensation tax, but he said these measures are not active and it is unlikely they will make any progress for some time.

FULTON SEES THREAT

James A. Fulton, president Home Life of New York, in extending greetings from the Life Presidents Association said the system of individual liberty and free enterprise which we call democracy stands challenged today as it has not been challenged for two centuries, first, from the totalitarian governments, and second, from those in our midst who, while professing allegiance to democracy, attack and seek to undermine every basis upon which it stands. He said life insurance men individually and collectively best can serve to defend democracy by meeting every attack upon the life insurance business vigorously and courageously.

"Recognizing the unfairness of attacks, we may become so defensive in our attitude that we are shortly ignoring

or defending things in our business that need not defense, but remedy," he said. He said that life insurance is a great and fine business, but is not perfect. "The sin of the world of the last 20 years has been the sin of complacency. To a large degree it has been the complacency of business men. There has been the desire to maintain the ease and comfort of the status quo even at the expense of present effectiveness and future difficulties. It is our duty to face those things in our own companies which can damage or impair our effectiveness, and deal with them with ruthless realism. It is our duty collectively to search out and eliminate every factor that can have an adverse influence on the effectiveness of our operations and to be constantly searching for ways to improve the service which life insurance collectively can render to the American public.

Fight for Democracy Here

"The fight for democracy will not be won or lost alone in the battles across the sea. It will be just as much won or lost by the vision, energy and cour-

age of the individual units of American business."

Mr. Fulton said regimentarians abroad and in this country hold individual enterprise is no longer capable of meeting the problems of the complex civilization, but it is the belief of those who support democracy that regimentation destroys civilization itself. The champions of individual enterprise and cooperative effort owe a duty to demonstrate that the regimentarians are wrong and that the faith in the democratic plan is justified, he said.

GENERAL SESSION

Vice-president E. E. Rhodes of the Mutual Benefit Life at the Thursday morning session told why he thinks life insurance is a peculiar business and different from others. Life companies are distributors and not creators. He said they represent the largest and most successful experiment in cooperation that the world has ever seen. He pointed out the vast accomplishments of life companies and told what life insurance funds have accomplished for the people. All companies, he said, do not participate in the management of the enterprises which their funds have helped develop. They are concerned only with

the security of their principal and the receipt of interest.

No company or group of companies, he added, has or desires to have a monopoly. They are foresighted enough to realize the development of the companies depends largely on the development of the institution as a whole. He brought out that life companies have two primary aims, first, to make their policy contracts absolutely safe, and second, to deal with the policyholders with the utmost liberality, making the policy contracts as flexible as possible and to render the greatest possible amount of service to the policyholders. He said that life insurance as generally practiced is not a private business but a cooperative enterprise participated in by some 65,000,000 people in this country and different from other business enterprises in that it is founded on principles of beneficence yielding to those engaged in it a satisfaction they are helping to solve one of the world's greatest problems.

Walter W. Head's Address

President W. W. Head of the Great American Life spoke Thursday morning, outlining the causes of the world war. He said it is a conflict of ideologies and of government philosophies. It is dictatorship vs. democracy. There have been 300 years of development and

A MAN RETIRES

Somewhere today, very probably, a man will retire to enjoy for the rest of his days a Fidelity "Income for Life." Thousands have done so since December 24, 1902, when Fidelity originated this famous insurance plan.

Fidelity is naturally proud of this contribution to the development of modern insurance, but Fidelity is equally proud of the many other effective tools in its work kit—twenty-eight regular policy forms, with numerous combinations of supplementary agreements.

These include Disability Waiver with seventeen forms, and Disability Income with the "Income for Life" plan—on either a \$10.00 or a \$5.00 per thousand basis. Accidental Death benefits are available in eleven policy forms.

Family Income or Family Maintenance may be added to all regular plans except Term. Continuous Instalment may be added to the "Income for Life" plan.

Juvenile insurance, from one month to nine years and six months, is available on four forms with choice of riders covering waiver of premium in event of (a) death of applicant or (b) death or disability of applicant.

Fidelity, now in its sixty-second year, operates in thirty-six states and the District of Columbia. More than 131 millions of assets.



One of a series — Giving facts about the Fidelity.

The FIDELITY MUTUAL LIFE
INSURANCE COMPANY
PHILADELPHIA
WALTER LEMAR TALBOT, President

growth in this country and American citizens enjoy the highest standard of living of any people in the world. Facism communism and nazism, he said, are all joined in one camp, striving for the same end, viz., the destruction of the democratic form of government. He said that while the outlook is indeed dark and foreboding and these are truly turbulent times, probably the most critical that America has ever encountered, yet, he said, the people of this country should not be discouraged and not lose hope and not lose faith in the destiny of this country.

AGENCY SECTION

J. C. Higdon of Kansas City, vice-president Business Men's Assurance, addressed the Agency Section on "Our Way to Better Business." He said he is definitely committed to the proposition so far as his own organization is concerned that improvement and progress can only be achieved through constant study and diligent application to the task at hand. He declared that a fundamental in developing sales in satisfactory volume is a common understanding as to the objectives of the company and policies affecting its operation. He also stated that the full effect of sales efforts cannot be experienced unless the home office is sales minded as well as efficient and unless each department head and each individual appreciates that he has a share in the responsibility to help keep old customers and bring in new ones.

Mr. Higdon said that increased business should be sought only by giving first consideration to the success of each individual salesman. On the subject of persistence and in support of his contention that greater production means a greater persistency ratio, he pointed out that a tabulation of the first renewal ratio on the business of his company's ten leading salesmen shows their lapse ratio is just about half that of the average of the entire volume of business.

ECONOMIC SITUATION

C. L. Benner of Wilmington, Del., vice-president Continental American Life, spoke before the Agency Section on the "Current Economic Situation and Its Relation to Life Insurance." He asked in the first place what effect are the war and the preparedness program in the United States going to have on the domestic price levels. Is inflation at last going to be here? Is the interest rate finally going to increase because of the capital and bank credit that will be needed to finance the war and rearmament program? In the second place, he asked, what effect is the war going to have on foreign trade? Is it likely to expand so that with preparedness outlays the country is going to have a war boom similar to the one that took place during the last war? Will this solve the agricultural problem? Are we going to capture the South American market? Then he asked can the country complete its defense program, have its armaments and still, as the President insists, not give up any of the so-called social gains. Or is it going to be inevitable that the people do without some of peace time luxuries, lower their standards of living and work longer hours at labor?

Effect of Inflation

He said that should the huge deficit which is going to result from the preparedness expenditures cause another inflation scare it will retard the sale of life insurance. He also said that if the cost of preparedness program is going to result now or in the future in taxes so severe as to lower the standards of living, obviously this will have a detrimental influence on life insurance. He contended that the advocates who are attempting to raise prices by methods of tinkering with the currency, lessening the gold content in the dollar, buying the world silver at a fictitious price, do not understand the forces that make

for price changes. Furthermore, he maintained that those who believe that business can be stimulated and prosperity restored by the maintenance of artificially lowered interest rates and through pump priming ventures of one kind or another do not understand the forces that cause business to expand in a free enterprise system.

Does Not See Price Increase

So long, therefore, Mr. Benner said, "as we have a large amount of unused plant capacity and several million men who are idle and anxious to work we need not fear that an increase in demand whatever the cause is going to lead to any rapid price increase." There are certain lines of production, he said, that in a short time will be running at 100 percent of capacity. A construction boom seems likely in his opinion.

Mr. Benner is much more afraid that the country will not get the immediate expansion of productive activity to rearm the country without unduly depressing the standard of living than he is that the preparedness program is going to cause a severe price inflation. Furthermore, he stated that it is not likely that the country will have the runaway inflation even if it becomes a participant in the war. Governments have learned much, he said, about price control since the last World War.

Stimulation of Production

Mr. Benner said that he is not so much afraid of inflation during the coming year as he is that the necessary steps will not be taken to stimulate production to its fullest capacity.

He referred to the burdensome taxation that must come sooner or later to pay for these "stimulating deficits." Even if the United States is drawn into the war he said there is no good reason that it is likely to follow the same pattern as the last World War. The industrial situation today has little similarity to that existing in 1917. He said that export trade has shown a great improvement since the war started. Still the outlook for future expansion in his opinion is not bright. When the export trade is broken down it is found that the increase has been mainly in heavy machinery, aircraft engines and parts, metals and chemicals. There has actually been a falling off in the principal peace time export commodities.

South American Trade

Mr. Benner said that "unless we want to extend a good deal of credit to South America we are going to find it difficult to maintain, not to mention increase, the large volume of trade which we had with that continent during the past year." In his opinion the South American situation is definitely barred. It is difficult he said to imagine the private investor making much of a demand for South American bonds.

There is no doubt he said that the defense program will call for a large amount of capital. He said, "While it may be possible that interest rates touched bottom with the recent government financing the 15 year 2 percent obligation I think it is too much to expect any great improvement in the way of higher interest rates during the coming year. At least I would not increase my agency budget with this idea in view."

LIFE AGENT'S JOB

R. B. Coolidge, superintendent of agents of the Aetna Life, spoke before the Agency Section on the job of a life insurance agent. He said that a number of managers and agents have developed an inferiority complex due probably to the attacks on life insurance. Sometimes the condition in an agency has an effect on the men and handicaps them in doing a good job. Mr. Coolidge took the position that life insurance offers a good job for men who can qualify for selling its contracts. He acknowledged that it is not an easy business. Those who lack the characteristics for qualify-

(CONTINUED ON PAGE 22)

QUIZ AD No. 8

QUERY: What life insurance company has unusually complete accident and sickness insurance facilities for its field force?

COMMENT: Life, accident and sickness insurance are personal coverages... insuring an individual rather than a piece of property. They complement each other... Affiliated with Continental Casualty... long acknowledged a leader in the health and accident field... Continental Assurance offers its agents opportunity for added premiums... and commissions.

Continental
ASSURANCE COMPANY

CHICAGO, ILLINOIS

Affiliated with

**CONTINENTAL CASUALTY COMPANY
TRANSPORTATION INSURANCE COMPANY**

Parkinson Scores Two Fiscal Policies

(CONTINUED FROM PAGE 1)

give approval to any financing arrangement if a better offer is outstanding, the RFC insisted on going through with its arrangement and the RFC took the issue at 4 percent. It later sold the \$20,000,000 of bonds at 102½ to the investment bankers who are now trying to sell these bonds at 103 to private investors, such as Equitable Society.

Government Competition

"That is government competition," he said, "and is typical of many instances where funds raised by government credit at lower rates of interest are offered at higher rates to the profit of the lending agency."

The easy money policy, he declared, is a more serious difficulty. It consists of placing artificial emphasis on low interest rates as the price of money. It is not, he contended, a reasonable and natural outgrowth of conditions. The chief means of carrying out the easy money policy is the swelling of bank deposits by deficit financing and the purchase of foreign gold. The treasury, he said, for six years has bought all of the gold that was offered from whatever source at \$35 an ounce. However, the treasury has not paid for its share out of existing bank credit and currency, but has paid for it out of created deposits.

Mr. Parkinson traced the steps in the purchase of gold to make clear what he meant. The owner of \$1,000,000 of gold, for instance, is given credit for \$1,000,000 at the bank which turns the gold over to the federal reserve. The latter institution in turn gives the bank a deposit credit for \$1,000,000 and then turns the gold over to the treasury, deducting \$1,000,000 from the treasury balance. So far so good, he said, but the treasury, charged with the price of gold, issues gold certificates to the federal reserve and the federal reserve restores \$1,000,000 to the treasury's account.

Swells Bank Credit

That means that the existing bank credit and currency is swelled to an amount equivalent to the value of the gold in order to pay for the gold. That process has gone on to the extent of eight billion dollars, he said. There is no difference between that procedure and the treasury issuing greenbacks. The effect is to swell bank deposits and excess reserves of banks which now amount to about \$6,500,000,000. Those excess reserves constitute idle bank money which can find no opportunity for use. It lies in the federal reserve bank because of gold purchase policy.

Bank deposits, Mr. Parkinson said, in 1929 were raised to a too high level and the federal reserve waited too long to increase rates. Then it was private debt which swelled bank deposits and which brought about deflation. Today it is the treasury which is the chief borrower and it is worse by multiplication, he declared. The federal reserve board doesn't act because the chief borrower is the treasury and the treasury is in control. The monetary stream is being adulterated to the point at which private investors such as life companies are unable to find investments at a reasonable rate of interest. The fictitious increase in bank deposits and in excess bank reserves, because of the importation of gold, some being sent by foreign investment interests competing with the domestic investors, is a problem of the utmost gravity, he said.

Mr. Parkinson, in leading up to these points, said that successful conduct of life insurance depends upon cooperation of agent and company. The agent is dependent on management to carry out the promises that the agent makes, he said, and the management can't serve the public without the agent. The policies of insurance companies are dependent upon public policy and manage-

ment and agents will have to deal with public policy as bearing on the expectations of policyholders. "We can't succeed unless public policy lets us succeed," he said. The greatest problem in administering the business is the yield on investments and the agent cannot do what he promises he can do, unless a reasonable return can be earned on the invested funds. By that he said he means about 3½ percent.

Eulogizes Harry Wright

Mr. Parkinson spoke of Mr. Wright in the highest terms. He characterized him as the "ideal insurance agent." Observing that in a period of 16 years, Mr. Wright has placed on the books of Equitable Society more than \$20,000,000 of insurance, Mr. Parkinson exclaimed: "That's a young life insurance company in itself."

L. Mortimer Buckley, Provident Mutual, as chairman of the committee on arrangements, opened the meeting. C. J. Zimmerman, Connecticut Mutual, Chicago, retiring president of the national association, was toastmaster. Just a year previously a similar dinner had been held in Chicago honoring Mr. Zimmerman upon his attainment of the high office. A number of short talks eulogizing Mr. Wright were made by W. M. Houze, John Hancock Mutual, president Chicago association; Francis P. Bieriger, Connecticut Mutual, Rockford, president Illinois association; Warren V. Woody, manager of the Equitable agency with which Mr. Wright is connected and Insurance Director Palmer of Illinois. Mr. Wright's mother, Mrs. John Wright, and his wife, were presented and were heartily applauded. Mr. Wright made a gracious and witty response, that indicated that he is hitting his stride and will measure up to the public speaking obligations of his office.

At noon there was a luncheon for Mr. Wright that was addressed by President Parkinson. It was attended by all of the members of the Woody agency, the Equitable managers in Chicago, E. L. Carson, Milwaukee manager for Equitable, and Homer L. Rogers, Indianapolis manager. Mr. Woody presided and W. L. Gottschall of Chicago, director of agencies of Equitable, introduced Mr. Parkinson.

Among those in the audience at the dinner were Roger B. Hull, general counsel national association; James E. Rutherford, Penn Mutual, Des Moines, and Ray Hodges, Ohio National, Cincinnati, national trustees.

Tells Investment Men That Life Companies Come First

DALLAS—Life insurance companies may be classed above any other class of insurance or investment companies in sound actuarial practices and conservative investment policies, Commissioner McCormack of Tennessee and chairman of zone 3 of the National Association of Insurance Commissioners, declared here before the National Association of Securities Commissioners. Life companies have taken into consideration the advantage of a long range investment policy and have not overlooked the cycles of prosperity and depression, of high interest return and low interest return, he said.

A well-managed life company has no special bargains in the rate book and the many types of contracts offered are designed to suit the needs of the purchaser and not for competitive reasons, he said.

New Brief in Nebraska Case

LINCOLN, NEB.—A tart reply to the contention of the Nebraska department in the battle over a rehearing of the Republic National Life aviation exclusion clause case, that the public interest demands that the court stand by

its original decision, has been filed by attorneys for the 28 life companies that first intervened. They say that if the decision stands either aviation risks other than those engaged in commercial flying must be declined entirely or they must be given a limited coverage from which this extra hazard has been eliminated.

So far as aviation is limited to passenger planes operating on regular schedules, the companies have never deemed it necessary to exclude this risk from full coverage; at most, an extra premium was charged to cover the risk of those who flew as passengers with great frequency. If flying were only occasional, it has long been the practice to ignore this extra hazard entirely. The real and important extra hazard resulting from aviation arises from such buying as transport piloting, crop dusting and military and naval flying. In such instances the extra risk is substantial and in many cases so substantial that it is impossible to cover it by means of an extra premium.

Lamar Life "All Stars" will meet in Hollywood, Fla., in 1941 for the annual agency convention, according to an announcement by W. D. Owens, vice-president. It will be held in late July and early August.

Veteran Pennsylvania State Official Is Dead

S. W. McCulloch, 83, for many years connected with the Pennsylvania department, died at his home in Harrisburg, Tuesday following a month's illness. His connection with the department began in 1883 as a clerk. Years later he was appointed deputy commissioner and served for a short time as commissioner, resigning that post in 1923. He was active in the National Convention of Insurance Commissioners and several times held official posts in that organization.

To Conserve Draftees' Lines

The Connecticut insurance department will endeavor in every way possible to conserve the business of agents who have been drafted under the selective service act and to prevent it from being raided, said Commissioner Blackall. He has been conferring with commissioners of other states on the possible effect of the draft in the agency situation, and also has had talks with company officials and agents. For the present, each case will be handled on its merits.



Enthusiastic Approval

Has been given the Minnesota Mutual Pay-Roll-Deduction-Family-Policy-Plan, by employers and employees alike. Besides the unique Family Policy, the individual employee chooses any other type, any amount of insurance for himself and his family. The small monthly payroll deductions involve practically no expense to the employer.

Over 350 firms now use this plan, and the opportunities for further development of this field are most attractive.

In addition we offer our Field Force:

1. A liberal agency contract.
2. A plan for financing your agency.
3. Accounting methods to guide you.
4. Proven plans for finding—training agents.
5. A liberal financing plan for agents.
6. A unique supervisory system.
7. Organized Selling Plan.
8. Unusually effective selling equipment.
9. Policies for every purpose: Regular—Family—Juvenile—Women—Group—Payroll Savings, etc.
10. Low monthly premiums.

A \$235,000,000.00 Mutual Company, 60 years old with an understanding, cooperative Home Office.

THE MINNESOTA MUTUAL LIFE INSURANCE COMPANY

Saint Paul, Minnesota

C. L. U.

Boston Chapter to Conduct Estate Protection School

The Boston C. L. U. chapter will conduct an advanced underwriting school covering estate protection, taxation and business insurance, starting Oct. 21 and continuing for 24 weeks.

The faculty includes: Paul F. Clark, vice-president John Hancock Mutual Life; Basil S. Collins, trust officer Old Colony Trust Company; W. N. Watson, general agent Connecticut Mutual Life; Glenn B. Dorr, general agent Northwestern Mutual Life, Hartford; Vernon Blagbrough, John Hancock Mutual Life; Irvin Bendiner, New York Life, Philadelphia; J. L. Weatherly, Fidelity-Philadelphia Trust Company, Philadelphia; Leon Gilbert Simon, Equitable Society, New York; Vernon Mason, attorney; C. P. Dawson, general agent, New England Mutual Life, New York; S. D. Weissman, Equitable Society, Boston; Franklin W. Ganse, Boston; John D. Wright, C. L. U. tax consultant, Baltimore; M. G. Summers, general agent New England Mutual Life, Boston; H. T. Long, tax commissioner of Massachusetts; Lester Von Thurm, John C. Paige & Co.; M. L. Buchanan, Massachusetts Mutual Life; Mayo Shattuck, attorney; James Warren, supervisor Massachusetts Mutual Life; Milton Elrod, Jr., R. & R. Service; Guy Newhall, attorney; Arthur Tyler; E. Paul Huttlinger, agency secretary Penn Mutual Life, and Robert Lawthers.

Nicholl Elected in Baltimore

At its annual meeting the Baltimore C. L. U. chapter elected the following officers: President, M. C. Nicholl, general agent New England Mutual; vice-president; S. F. Gammon, manager Prudential; secretary - treasurer, Michael Miller, Pacific Mutual; directors: A. H. Krug, Massachusetts Mutual; T. W. Harrison, Jr., Connecticut Mutual; Morris Meyer, Metropolitan Life, and L. N. Townner, John Hancock Mutual.

Local general agents and managers were the guests of the Baltimore Institute of Life Underwriting and the Baltimore C. L. U. chapter at a luncheon at which plans for the conducting C. L. U. courses were discussed. Prof. J. P. Williams, educational director American College of Life Underwriters explained changes which will be made in C. L. U. work and examinations. The Baltimore course will start Oct. 14.

Davis Installed in Indianapolis

C. F. Davis, State Mutual Life, was installed as president of the Indianapolis C. L. U. chapter at a luncheon meeting. Other officers are R. I. Blakeman, Jr., Penn Mutual, Indianapolis, central vice-president; W. H. Robins, Equitable Life, La., Lafayette, northern vice-president; R. R. Mills, Equitable Society, southern

vice-president; W. A. Clabaugh, Provident Mutual, Indianapolis, secretary-treasurer. Mr. Davis began his insurance career in Kansas City, Mo., in 1900, going to Indianapolis in 1913.

The chapter is sponsoring classes in cooperation with the University of Indiana and Butler University.

Activity in Los Angeles

The Los Angeles C. L. U. chapter now has the C. L. U. Institute work well under way, with Dr. Floyd E. Burtchett directing the activities. Parts I and IV are being given this fall, the enrollees for the first part meeting Monday and for the latter on Wednesdays. An unusually large class has enrolled, 49 taking Part I and 13 taking Part IV.

New Officers in Milwaukee

Leslie Eaton, Massachusetts Protective, will become president; William Kleinschmidt, Prudential, vice-president, and Laffin Jones, Northwestern Mutual, secretary-treasurer of the Milwaukee C. L. U. chapter at the next meeting Oct. 24. Milton Elrod, R. & R. Service, will speak.

The Los Angeles C.L.U. chapter will hold its annual dinner dance Oct. 11.

Production Energy Has Been Stifled

(CONTINUED FROM PAGE 3)

necessary to restore them to jobs and self-respect. The dependent man is not a secure man or a confident man."

Everything must be done, to the limit of the nation's resources, to take care of its unemployed and other groups who are at a temporary economic disadvantage, the speaker said. "But no program of benefits or subsidies has the right to be called a program. It is a stop-gap."

By penalizing success and attempting to legislate ourselves security, Mr. Arnold warned, "we simply ignore the one great factor which lies at the bottom of all security—the will of men to succeed. You do not encourage economic security by deliberately increasing our economic risks. The shortest and most practical road to placing our security on a solvent basis is to reduce to a minimum the risks the 'premium payer' must take and thereby encourage his success instead of his failure."

"We as a people have before us the challenging task of restoring to our people the goal of individual security through personal sacrifice. Our rank and file of politicians cannot be relied upon to restore this national craving to achieve great things."

Reinsurers Now Are Feeling War and Air Hazards

(CONTINUED FROM PAGE 3)

is so much uncertainty at present, particularly where civilian flying is so likely to lead to military flying, that any more on the part of reinsurers is more likely to be in the direction of greater strictness than further liberalization, except, of course in the field of passenger flying on scheduled airlines.

Bruce of N. Y. Life Passes 1,000 App-a-Week Mark

NEW YORK—Thomas R. Bruce, New York Life, Mexico, Mo., has attained a distinction achieved by few agents, that of writing at least one application every week for 1,000 weeks. He has been connected with the Missouri Clearing-House branch since he joined the company in 1914. At that time he was 33 years old.

Mr. Bruce has built up a distinguished production record, frequently being a member \$100,000 or \$200,000 clubs. In

almost 20 years of consecutive weekly production Mr. Bruce has had major operations and was in the hospital once for six weeks at a time. Nevertheless he wrote an app every week, neither writing up the applications ahead of time nor "reinstating" after missing out a week, as could be permitted if illness caused an unavoidable break in the record.

Mr. Bruce became a senior Nylic in 1939, as a result of which status he receives a monthly income for the rest of his life under the company's Nylic plan, in addition to his regular commissions on business he writes. Before going into the life insurance business he was in the retail clothing field.

Prudential Considering New Unit

The Prudential has for some time been considering the advisability of building an addition to its home office group of buildings, though no definite decision has yet been reached. The com-

pany is having borings made on property across Washington street from its Gibraltar building. The property was acquired several years ago.

Dr. J. T. J. Battle, medical director Jefferson Standard Life, who died last week in Greensboro, N. C., was the oldest living member in point of years and one of the oldest in length of service with the company. His insurance connections as a medical director began in 1901 when Security Life & Annuity was organized. In 1905 he became medical director for Greensboro Life, of which he was one of the organizers, holding this post until 1912 when that company, along with two others, merged with the Jefferson Standard. From that year until 1918 he was medical director for Southern Life, predecessor of Pilot Life. He took the position of assistant medical director for Jefferson Standard, which he held until elected medical director at the time of the death of Dr. J. P. Turner.



Thinking Their Thoughts

The thoughts of young parents constantly recur to the problem of giving their children college or other specialized training.

As a life insurance man you have the answer to a major part of this problem.

Family Maintenance and Family Income plans are increasingly used by Connecticut General men for educational purposes. These furnish level and diminishing term insurance for 10-15-20 years in addition to the basic permanent insurance.

The flexibility of these plans adapts them to a multitude of situations and new ways of using them are being constantly developed by resourceful salesmen.

**Connecticut General
Life Insurance Company**
Hartford, Conn.

WANTED:

Supervisor of Agents' Training

A medium size eastern company wants to employ a man to devise and administer a complete company sales training plan. Applicants for the position must be between ages 30 and 40 and must have had since 1930 at least three years of successful life insurance selling experience as an agent. Previous experience in sales training is not necessary, but the applicant must demonstrate capacity to both originate and administer such a plan. Application must contain facts of education, age, and experience and will be held strictly confidential. Address M-27, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

EDITORIAL COMMENT

The Hippocrates of Life Insurance

ESTABLISHMENT of the S. S. Huebner Foundation for Insurance Education, announced at the great testimonial dinner to Dr. Huebner during the National Association of Life Underwriters convention, comes as an eminently suitable milestone in a great career. Probably in no other field can so large a share of the credit for leadership from the mercantile to the professional level be so justly and unanimously attributed to a single personality.

As a newly graduated doctor of philosophy Dr. Huebner saw the tremendous job that needed doing in the field of life insurance. To it he dedicated his vast energy, his boundless enthusiasm and a sincerity that is essential to any truly great work.

Unlike the actuaries, Dr. Huebner's interest was not in the mathematical functioning of life insurance but in its economic functioning. But he brought to the task the scientific thoroughness associated with actuarial work. This integration of life insurance into the economic framework, with all this means in the way of exhaustive research, organization, and pioneering into new fields of thought, is perhaps Dr. Huebner's greatest contribution. And because the value of life insurance depends upon the practical use that is made of it, Dr. Huebner's unrelenting fight to get this expanded concept of life insurance accepted by the field and the home offices ranks as an equally important contribution.

That Dr. Huebner had to do much of his pioneering work in the face of indifference or even opposition of life insurance men who honestly felt that he was merely complicating a rather simple and straightforward type of business failed to discourage him in the least. Progress toward his ideals has been at an accelerating rate during the

last few years. That pace doubtless appears to continue until a truly professional level is reached.

Engineering, now looked upon as a field solely for those willing to undergo the rigid discipline of technical education, only reached that state comparatively recently and in spite of misgivings of many engineers. Rensselaer Polytechnic Institute, the first engineering school to be established in this country, was greeted with hoots from many "practical" engineers whose feeling was that the way to learn to be an engineer was not to go to school but to put on a pair of boots and get out in the field.

Only a couple of generations ago a high school education was the only prerequisite to learning to become a doctor or lawyer. Medical education consisted of acting as apprentice to the local doctor, while the embryo lawyer merely "read law" while acting as a clerk in some lawyer's office. It is only within the last five years that candidates for the certified public accountant examination in New York state had to have completed five years of work in an accredited school of commerce in a university.

Only when the day arrives that the distribution of life insurance becomes a profession in the full sense of the word will it be possible to measure the real extent of Dr. Huebner's contribution, for he is now in restored health, still under 60 and, as he indicated in his conferment speech at the testimonial dinner, fully aware of the great work still to be done. But no matter how important his future achievements, what he has done up to now will stand as unique contribution, a happy combination of a vital job to be done and the man who is outstandingly fitted to handle it.

Great Opportunity for Agent

A WASHINGTON, D. C., dispatch stated the other day that the commerce department predicted that the total income of the people in the United States this year would approach \$74,500,000,000. That is almost the record of 1930 and exceeds the total for any intervening

year. For instance, the income through August this year, it was said, exceeded \$47,400,000,000 compared with \$45,000,000,000 for the same period last year. It will thus be seen that opportunity for the life agent evidently is wider now than it has been.

More Women Agents Needed

At one of the recent meetings the point was made that it is unfortunate that there are not more women agents inasmuch as women constitute such a

large percentage of the beneficiaries of life insurance, and furthermore women agents coming in contact with the business and knowing what insurance can

accomplish, can interpret it more vividly to women. There are more women buying insurance these days and there are more men that are interested in protecting their women dependents.

The woman life agent with a fine working knowledge of the business who possesses dignity, good sense and has the faculty of salesmanship can accomplish much in the insurance field.

PERSONAL SIDE OF THE BUSINESS

C. A. Nolte, Detroit manager of the American National ordinary branch, has been elected president of the Muyskens chapter of the American Speakers Club.

Mrs. Philomene Altman, agent with the Sun Life, Detroit branch, was named "woman of the week" by a daily newspaper there. She is chairman of the Inter-Club Council of Business & Professional Women's Clubs, which is celebrating National Business Women's Week, Oct. 6-12. She has been with Sun there 19 years.

Hiram W. Moore, immediate past president of the Minnesota Association of Life Underwriters, is recovering from a recent operation. He is St. Paul manager of the Mutual Life of New York.

Julian W. Schwab, Indianapolis, general agent of the Indianapolis Life, was its leading producer for 1940 to Sept. 1. He is a life member of the Million Dollar Round Table and has been the individual leader of the company for eight years. G. W. Anawalt, also an Indianapolis general agent, is second.

Playing "godfather" to the babies of tenants in his apartment houses is a hobby with Henry Solomon of the north Ohio branch of Canada Life. In 1926 Mr. Solomon started giving a \$5 gold piece to the first baby born to any couple while they were his tenants. Second babies get \$10, third babies \$20 and so on. The most expensive family he has rewarded cost him \$35. Mr. Solomon has made a standing offer that the mother of quintuplets can have the apartment house she lives in.

George H. Smith, supervisor Scranton Life, Oct. 3 completed his 30th year with the company and celebrated his 59th birthday. He is being given an application shower by the field force.

A. N. Miner of Gilmour, Rothery & Co., president Boston Protective Department, and Harry Ross, Jr., Boston manager Guardian Life, have been made chairmen respectively of the general insurance and life insurance groups in the annual drive for funds of the Salvation Army in Boston.

Ben S. McGiveran, Eau Claire, Wis., general agent Northwestern Mutual Life, has been named by Governor Heil on the new state defense council to serve in an advisory capacity for coordination of all state resources in the interest of national defense.

A. C. Larson, formerly southern Wisconsin manager for the Central Life of Iowa and now devoting his time to personal production at Madison, Wis., celebrated his 65th birthday and his 40th anniversary of continuous service with that company Oct. 1. He laid aside his business and spent the day in a duck blind, celebrating the opening of the duck season along with his own anniversaries.

R. G. Gordon, vice-president and supervisor of applications State Mutual Life, was married to Miss Agnes New-

man in Worcester, Mass. They are on a short wedding trip through Canada. Mr. Gordon, who has long been actively interested in the Home Office Life Underwriters Association, and who was editor of that association for five years, last fall became a member of its executive council.

L. M. B. Morrissey, manager Phoenix Mutual Life, Davenport, Ia., has been made state chairman of the Iowa Willkie Democrats. He has been with the Phoenix Mutual for 30 years and manager in Davenport for 26 years.

Fred C. Becker, Seattle, Republican nominee for Washington insurance commissioner, has resigned as assistant agency manager of the Equitable Society to devote his entire time to his campaign.

Mrs. Ward Senn, wife of the president of the American Mutual Life of Des Moines, was operated on at a Minneapolis hospital. Following the operation her condition was reported favorable.

DEATHS

Charles Stansfield, of Montreal, well-known throughout eastern Canada and the United States, who was the first Canadian manager of Metropolitan Life, died at the home of his daughter, Mrs. T. H. Chennell, in Montreal. He was 83 years of age, and had been retired for over 10 years, but had been active. A week ago he attended a meeting in Ottawa given in honor of the new general-manager of the Metropolitan, and delivered an address. He played golf regularly. Mr. Stansfield was born in Levenshulme, Manchester, England, in 1858, came to the United States when 17, and taught school in Georgia for a number of years. Then he became associated with the Metropolitan and was chosen the first manager of the first branch office opened in Montreal. Thirty years ago he was transferred to Philadelphia, but never severed his connection with Canada. He was the founder of Pine Hurst Inn, at Val Morin, where he made his home while in Canada, and his American home was at Burlington, N. J. He was one of the pioneers in group insurance. He was the founder, a life member and past president of the Metropolitan veterans' association, and was its secretary-treasurer.

Arthur Seng, 52, assistant treasurer of the Commonwealth Life until ill health forced his retirement in 1936, died in Louisville. He had been with the company 26 years.

Mrs. Anna T. Richardson, wife of O. D. Richardson, associate general agent in Chicago for Berkshire Life, died at the home of a daughter in Elgin, Ill.

W. G. Fitting, manager since 1926 of one of the Equitable Society's leading New York City agencies, died unexpectedly following a heart attack. He had

THE NATIONAL UNDERWRITER



Published by THE NATIONAL UNDERWRITER CO., Chicago, Cincinnati, New York. PUBLICATION OFFICE, 175 W. Jackson Blvd., CHICAGO. Telephone Wabash 2704

EDITORIAL DEPT.: C. M. Cartwright, Managing Editor. Levering Cartwright, Assistant Managing Editor. News Editors: F. A. Post, C. D. Spencer. Associate Editors: D. R. Schilling, J. C. O'Connor.

BUSINESS DEPT.: John F. Wohlgemuth, President. H. J. Burridge, Vice-President and Secretary. John Z. Herschede, Treasurer. Associate Managers: W. A. Scanlon, G. C. Roeding, O. E. Schwartz.

CINCINNATI OFFICE—420 E. Fourth St. Tel. Parkway 2140. L. H. Martin, Abner Thorp, Jr., and C. C. Crocker, Vice-Presidents.

NEW YORK OFFICE—123 William St., Tel. Beekman 3-3958. Editorial Dept.—G. A. Watson and H. B. Mitchell, Associate Editors. Business Dept.—N. V. Paul, Vice-Pres. J. T. Curtin and W. J. Smyth, Resident Managers.

ATLANTA, GA., OFFICE—560 Trust Company of Georgia Bldg. Tel. Walnut 5867. W. M. Christensen, Resident Manager.

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SAN FRANCISCO OFFICE—507-8-9 Platoon Bldg., Tel. EXhrook 3054. F. W. Bland, Res. Mgr.; Miss A. V. Bowyer, Pacific Coast Editor.

Subscription Price \$3.00 a year (Canada \$4.00). Single Copies, 15 cents. In Combination with The National Underwriter Fire and Casualty, \$5.50 a year (Canada \$7.50). Entered as Second-class Matter June 9, 1900, at Post Office at Chicago, Ill., Under Act, March 3, 1879.

suffered a slight heart attack a few weeks earlier and while he had not sufficiently recovered to return to his office, he was thought to be convalescing rapidly.

Mr. Fitting joined the Equitable in 1909 as a clerk in the home office audit-



W. G. FITTING

ing department. Soon afterward he was transferred to Chicago, where he worked under the direction of the late Frank H. Davis. Several years later he returned to the home office as assistant to the superintendent of agencies. He became successively supervisor of agents, superintendent of agencies, and in 1926 agency manager.

E. H. Thatcher, former manager of the service allowance department of the Prudential home office, died at his home in Maplewood, N. J., Oct. 6 after an illness of seven months. He had been with the company 43 years and was 64 years old.

E. J. McDonald, 45, Prudential assistant superintendent in Toledo, died of a heart attack.

COMPANIES

Six Men Added to National Life List

MONTPELIER, VT.—Six new and experienced men are being added to the home office staff of the National Life, a move necessitated by the growing business and the loss of some of the personnel by death, retirement, or other causes.

A. R. Crathorne, a young lawyer who has been with Miller, Hubbell & Evans in Utica, N. Y., takes a position in the legal department under General Counsel D. C. Davis. He will assume some of the duties which Miss Doris Montgomery had to relinquish in that department because of her part-time work as a consultant with John J. Kellam, National Life general agent in Norwalk, Conn. He is a graduate of Yale law school. His father, A. R. Crathorne, Ph.D., is an author and professor of mathematics at the University of Illinois, from which Robert Crathorne graduated in 1932.

J. W. Knibbs joins the agency department as director of the salary allotment insurance division. He was for four years with the Guaranty Trust Company in New York and for the past two years has been a life insurance salesman in that city. He went to Phillips Exeter academy and graduated from Dartmouth in 1934.

M. A. Laird, son of John M. Laird, vice-president and secretary of the Connecticut General Life and president of the Actuarial Society of America, has joined the National Life actuarial de-

partment. He was born in Hartford. Since his graduation from Yale in 1933 he has been in the actuarial department of the Metropolitan Life and has become an associate of the Actuarial Society of America by examination.

J. G. Bent, Jr., a municipal bond analyst, has been added to the investment department. He comes from Baltimore and was graduated from Lehigh University in 1928 with the degree of electrical engineer. After working in the General Electric Company's Schenectady office for a year he studied at the Harvard graduate school of business administration. He followed this with two months in Europe visiting industrial plants in several countries. Lately he has been associated with the Massachusetts Investment Trust in Boston, doing investment research on a large part of the portfolio.

T. B. Oakes has been added to the staff of mortgage loan inspectors. He comes from Boston. He graduated from the Massachusetts Institute of Technology in 1938 and has recently been employed by E. B. Badger & Sons Co., engineers, in Boston.

Welden Darling of South Barre, Vt., was recently added to the auditing staff. He is a graduate of Syracuse University and has specialized in accounting.

Oregon Mutual Life Not in Expansion Program

W. C. Schuppel, executive vice-president of the Oregon Mutual Life of Portland, was in Chicago during the week and stated that the report that the company intended to expand its operations and enter all states west of the Mississippi River is erroneous. The report undoubtedly grew out of an interview that a woman reporter had with one of the officers in which he spoke about its diversified investments being centered in a large number of states. Mr. Schuppel

declares that any expansion of the Oregon Mutual Life must be done in a very conservative way and not on a wholesale plan. It believes in concentrating its activities in a limited territory and doing intensive work and cultivation.

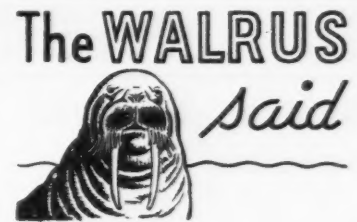
Report on Commercial Life

The Illinois department has made a report on the Commercial Life of Springfield, Ill., with home office at 716 East Capitol. This is an assessment company, the examination being as of Dec. 31. The assets are \$3,231 and surplus \$2,051. It has reinsured the following mutual benefits: Guarantee Mutual Benefit Fund, Washington Benefit, Commercial Mutual Benefit, Equitable Mutual Union, International Mutual Union, Fidelity Mutual Union, Lincoln Benefit and Iroquois Mutual Benefit. President M. Kuciemba is the main factor in the company. At the time of the examination the company was accepting business from five agents and two field men. It received in premiums last year \$19,899, the total income being \$19,966. It paid \$4,291 in death claims, total disbursements \$19,978. It has in force \$636,800.

Pacific States Pays Dividend

LINCOLN, NEB.—J. S. Logan, insurance department attorney, who has been representing the 3500 Nebraskans who filed claims of more than \$1,000,000 against the Pacific States Life of Denver, when it went into receivership five years ago, has been advised that a dividend of 3.604 percent will be paid. The Pacific States had taken over the Elkhorn Health & Accident of Norfolk and the Fidelity Reserve Life of North Platte.

The Occidental Life of Los Angeles reinsured the Pacific States and those who accepted the plans will have their dividends applied against policy liens.



Busy tabulating machines in our Home Office took a few minutes off from their regular accounting and auditing work the other day to assort, classify, and count some unusual figures;—those having to do with visitors to Bankerslife's new Home Office Building.

Here's the story as it came from the tabulating machines:

Since the new building was occupied March 25th (and up to September 1st) a grand total of 38,075 people have taken the organized tour of inspection.

— BLC —

Those 38,000 visitors came from 44 states and the District of Columbia, and four foreign countries: Canada, Greece, Ireland, and Hawaii.

— BLC —

Five hundred and sixty-seven cities and towns were represented among the visitors. Of those communities, 288 are in the State of Iowa.

— BLC —

Only the States of Maine, Rhode Island, South Carolina, and Mississippi are as yet unrepresented among those visiting "The Building of the Decade."

— BLC —

Iowa, Bankerslife Home State, has, of course, sent the largest total through the new building. Approximately 36,000 residents of the Hawkeye State have viewed the structure in which the whole state takes great pride.

— BLC —

Illinois ranks second to Iowa in representation with 339 visitors. Missouri follows with 167; then California with 164, followed by Minnesota with 159 and Ohio with 106.

— BLC —

On September 1st, 84 residents of New York State had toured the new building while visiting in or passing through Des Moines this summer.

— BLC —

These thousands now have a better understanding of the institution of Life Insurance, through having visited the Home Office of one of its units.

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The Quality-Minded Company

- Quality Selection
- Quality Training
- Quality Merchandising
- Quality Business

AGGRESSIVE and PROGRESSIVE

JEFFERSON STANDARD LIFE INSURANCE CO.
JULIAN PRICE, President GREENSBORO, N. C.

BANKERS LIFE
DES MOINES
Established 1879
COMPANY

LIFE AGENCY CHANGES

Antonelli Receives Colorado Position

The California-Western States Life has announced the extension of its agency organization into Colorado. Frank Antonelli, veteran Colorado insurance man, is appointed field superintendent in Colorado territory. Agency headquarters have been established in the United States National Bank building in Denver.

The company will use Denver as a base for further development of its territory in eastern Wyoming. Grant Taggart, of Cowley, Wyo., famous millionaire, operates in western Wyoming. Future expansion plans call for entry into New Mexico. The company is now represented in 11 western states and Hawaii. Mr. Antonelli returns to his home state after 2½ years of agency management and supervisory work on the Pacific Coast.

As manager of the company's Santa Barbara agency, he established a record which led to his appointment as field superintendent for southern California. He started his insurance career with the Equitable Society, where his production record earned him an appointment as unit manager at Greeley, Col. Later he was transferred to a similar position in Denver. Prior to his association with California-Western States Life, Mr. Antonelli was superintendent of agencies for the Capitol Life.

Metropolitan Makes Three Changes in New England

M. J. Yanosy, formerly manager Metropolitan at Roxbury, Mass., has been appointed manager at Derby, Conn., in a number of changes made by the company in New England. He will succeed H. J. Duffy, who has been transferred to Salem, Mass. A native of Czechoslovakia, Mr. Yanosy was in the contracting and wholesale grocery business before joining Metropolitan in 1917 as an agent at Bridgeport. Within a year he had earned a promotion to an assistant managership. He became manager for the company at New Haven, Conn., and then was moved to Naugatuck, Conn. He had been in Roxbury for the last five years.

Mr. Duffy, who has been transferred to succeed A. P. P. Dunk, went with Metropolitan 20 years ago as an agent in Middletown, Conn., and was appointed assistant manager in that city within two years. He was successively advanced to general assistant manager for the New England territory, agency sales instructor, and field training instructor. In 1938 he was promoted to manager and placed in charge of the Derby office.

T. E. Kiernan, formerly manager at

Central Falls, R. I., has been appointed head of the Woonsocket, R. I., district, succeeding the late W. H. Rogers. Mr. Kiernan is a native of New Haven, Conn., and had department store and railroad experience before joining Metropolitan in 1915. He has been manager of districts in Gloucester, Mass., Providence, R. I., and Central Falls.

R. F. Wagner Boston Head of Connecticut General

Connecticut General Life appointed Richard F. Wagner as manager in Boston to succeed James V. Gridley, who resigned to enter another business.

Mr. Wagner was born in Allentown,



RICHARD F. WAGNER

Pa., and received his early schooling in Reading. Upon graduation from Franklin & Marshall College in Lancaster in 1923, he entered the hosiery and textile manufacturing business. He joined Connecticut General in Philadelphia in 1935 and in 1938 was made district manager for the S. F. Smith agency in Wilmington, Del. He has been among the company's leading producers and has qualified for membership in the President's Club each year since the club was organized.

Brooks to American National

W. M. Brooks, a leading producer of the Bryson agency of the Sun Life of Canada in Richmond, Va., has resigned to become Virginia general agent for the American National Life with headquarters at Richmond. He was a member of the Macaulay Club of the Sun Life for 10 consecutive years. Several years ago he was Richmond chairman for Life Insurance Week when Richmond won

first prize in advertising in connection with the event. He is a past president of the Richmond Association of Life Underwriters and was one of the organizers and first president of the Virginia association. He has his office at 311 Mutual building.

Robert Stephenson Retires

After 35 years with the Prudential, 32 years as district superintendent at Madison, Wis., Robert Stephenson, 65 has retired from managerial duties. He started in life insurance at St. Joseph, Mo., and from there went to Oshkosh, Wis., where he was assistant manager before being transferred to Madison in 1908 as district superintendent.

N. Y. Life Illinois Changes

T. M. Temple, an agent with the northern Illinois branch of New York Life, Chicago, since 1938, has been made agency organizer of that office. He qualified for the Top Club for 1939-40. R. P. Koehn, who has been agency organizer for the northern Illinois office at Rockford, has moved to Sioux Falls, S. D., to take charge of the South Dakota branch. K. L. Price, manager there, has been ill for some time.

Form Special Risks Department

A special risks department has been established in the Seattle agency of the Guardian Life with C. J. Crandall in charge. G. M. Stevens, Jr., is manager of the Seattle office.

B.M.A. Makes Phila. Move

Pennsylvania General Underwriters, Philadelphia, have been appointed general agent for Business Men's Assurance

Goes to Hartford



L. D. BENSON

L. D. Benson, who goes to Hartford as general agent of the State Mutual Life, is well known in the state, having been field supervisor for the United Life & Accident for the last seven years.

in eastern Pennsylvania. This organization will handle all lines of personal insurance for the B. M. A. and has plans for organizing a special department to handle these lines. T. B. Donaldson,



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former insurance commissioner of Pennsylvania, is president of the Pennsylvania General Underwriters.

Joseph Whalen Resigns

Joseph Whalen, general agent Union Central Life, Spokane, Wash., for 11 years, is retiring from active duty and will move to Seattle. Officials from the home office were in Spokane to bid Mr. Whalen farewell, including A. A. Spohr, auditor, and Ray Ferguson, traveling auditor.

Hall to Philadelphia Branch

F. C. Hall has been transferred to the Central City (Philadelphia) branch office of Travelers as assistant manager of the life department. He joined Travelers in 1929 as a field assistant in the Baltimore office. In 1938 he was made assistant manager of the same office.

New Franklin Life Manager

W. V. Verhille has been appointed manager Franklin Life for Iowa with headquarters at Ottumwa. Successful both as a personal producer and as a manager, Mr. Verhille has been in life insurance in Ottumwa since he was graduated from Iowa State College in 1929. His former connections were with Phoenix Mutual Life, Equitable Society and Ohio National.

Davis Named at San Jose

Carl E. Davis has been appointed general agent of the Guarantee Mutual Life at San Jose, Cal., covering five adjacent counties. He was formerly home office supervisor of the Bankers Life of Nebraska and later general agent of the Lincoln National at Sioux Falls.

C. A. Matthews Advanced

With the expansion of its estate division, known as Matthews Associates, the George N. Matthews agency of the Berkshire Life in Buffalo has appointed Cedric A. Matthews manager of the two agencies in the Genesee building, a newly-created position. He has been with the agency seven years and cashier for six years. He is a brother of George N. Matthews, head of the two agencies.

Acacia Names Two Managers

Horton Robinson has been named Portland, Ore., manager by the Acacia Mutual Life. For seven years he has been associated with Equitable Society in Portland and for one year was supervisor of Occidental Life.

Gault Davis has been named manager by the Acacia Mutual at San Jose, Cal.

Lincoln National in Puerto Rico

The Lincoln National Life has entered Puerto Rico and has appointed Manuel Y. Saldana general agent.

Mr. Saldana has headed his own agency since 1928 and has represented the American National Life as general agent in Puerto Rico since 1930.

Coincident with the appointment of Mr. Saldana as general agent in Puerto Rico, the Lincoln National Life assumes all existing Puerto Rican business of the American National.

NEWS BRIEFS

Earl Therio has been named district agent for the Bankers Life at Rhinelander, Wis., succeeding Harold Markstrom who goes to Wausau, Wis.

Earl Certain, with the Aetna Life group department in Kansas City under J. C. Edwards the past year, has been transferred to Milwaukee. He is succeeded by Howard Grimes.

Al Kaplan, formerly with the National Life & Accident, has been appointed district agency manager of the Occidental Life of Los Angeles at Austin, Tex., with offices at 923 Littlefield building.

R. H. Stedman, Jr., formerly of High Point, has assumed his new duties as agency supervisor of the Connecticut Mutual Life in Greensboro, N. C.

NEW YORK

INSURANCE INSTITUTE CONFERENCE

The Insurance Institute of America will hold its annual conference in the rooms of the New York Board the afternoon of Oct. 22. The agenda calls for reports of the officers and of the several standing committees, following which officers will be elected. L. E. Falls is president of the institute and E. R. Hardy, secretary.

ROSEN HEADS DRIVE GROUP

A life insurance division to raise money for the Los Angeles Sanatorium has been organized in New York City under the chairmanship of Lester A. Rosen, Union Central. The sanatorium's annual budget is close to \$500,000 and since about 40 percent of the patients are from New York City an effort is being made this year to obtain at least 40 percent of the budget from New York City. The life insurance division includes 25 prominent life insurance men and women.

KNIGHT AGENCY FIGURES

The Charles B. Knight agency of the Union Central Life in New York City paid for \$1,201,213 in September. Total paid business for the nine months was \$12,125,791.

INSURANCE SOCIETY COURSES

Life courses given by the Insurance Society of New York will open shortly. Part I will prepare students for the first two examinations offered by the Insurance Institute of America or Life Office Management Association. Part II will do the same for the third and fourth examinations offered by these organizations. Each course will be given in two sections. One section of part I will start Oct. 15, fourth floor, 85 John street. The other section will begin Oct. 16, ninth floor, 60 John street. Part II will open Oct. 14, eleventh floor, 99 John street. The other section of part II will open Oct. 18, fourth floor, 85 John street. All sessions will begin at 5:30. The registration fee is \$2.50, the tuition fee \$17.50.

A. G. Borden, second vice-president Equitable Society, is chairman of the committee in charge.

Piper Running for Judge of Supreme Court of New York

NEW YORK—Assemblyman R. Foster Piper, chairman of the joint legislative committee for revision of the insurance code, is the Republican nominee for judge of the supreme court for the western district of New York. As the district in question is strongly Republican Mr. Piper's nomination is considered tantamount to election. He has been a member of the legislature for a number of years, serving usually as a member of the insurance committee of the lower house.

Zerrahn Boston Trust Speaker

The Boston Life Insurance & Trust Council opened the fall season with a talk by Paul Zerrahn, director of the department for study of business prospects of the Phoenix Mutual Life, on "New Business Today—for the Trust Officer and the Life Underwriter."

Curtis to Kentucky Home Mutual

Carl Curtis, Ocala, Fla., has been appointed general agent for Kentucky Home Mutual Life in the central Florida area with offices at Ocala. He entered life insurance in 1930, representing Peninsular Life at Jacksonville. Later promoted to district manager, he moved to Ocala where he has served in that capacity for the past three years.

Dr. A. R. Stone, medical director Midland Mutual Life, was elected to the board of the Columbus Kiwanis club.

Note on Education

OF the college careers recently begun or continuing for thousands of young people a goodly number will be nipped in the bud by "Dad's" death and resulting shortage of financial resources. A modest amount of life insurance would eliminate this hazard to promising futures.

Moral: Ask "Dad." He knows it's so and would probably like to do something about it.

LIFE INSURANCE COMPANY OF VIRGINIA

BRADFORD H. WALKER, President

Home Office: RICHMOND



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Benefits that win Sales!

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2. OPERATING ROOM—\$10.00 ANAESTHETIC—\$10.00 X-RAY (except teeth)—\$5.00
3. SURGEON'S FEES—\$50.00, \$25.00 or \$15.00, depending upon class of operation, for surgical operation when performed in the hospital. Included in the surgical schedule are all types and kinds of operations that are most prevalent.

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INTERFERE
WITH YOUR
PRESENT
CONNECTION**

Write today to JAMES A. PRESTON, Sales Mgr.
The COLUMBUS MUTUAL
LIFE INSURANCE COMPANY
COLUMBUS OHIO

LIFE SALES MEETINGS

Great Southern Men Over 70 at Parley Gather in Dallas of Security Mutual

The Great Southern Club of Great Southern Life held its annual convention in Dallas for three days. Membership is limited to agents who pay for at least \$100,000 new business and have a satisfactory renewal average on second-year



E. P. GREENWOOD

business. There were 108 who qualified this year, 16 more than in 1939 and the largest number to qualify since the club was formed. One out of every four men under contract qualified and 43 also qualified their wives by exceeding their production quotas by 50 per cent.

Officials were gratified with results. The renewal bonus offered for exceptional second year renewals exceeded 1939 payments by more than 25 percent, and this was reflected in an improvement of more than five points in persistency. While sales of new life insurance held about even with 1939, the company had a gain of more than \$5,500,000 insurance in force.

President Greenwood Host

E. P. Greenwood, president, was host and toastmaster at the banquet and ball honoring the President's Club, this honor group composed of those whose second year business shows the highest persistency. For the first time in history the majority of club members making the Dallas trip attained this honor.

Mr. Greenwood announced Carey Selph, of the Houston city agency, new President's Club president, who led with \$1,006,618 personal production. This was his second consecutive year as a qualifying member of the Million Dollar Round Table. Michael Sanders, Houston city agency, is vice-president, with 100 percent renewal of second year business. G. W. Saam, Fort Worth, and Nathan Colish, Houston, were honored, Mr. Saam for delivering and paying for 92.98 percent of all his submitted business, and Mr. Colish for a record of 91.36 percent.

Ford D. Albritton, general sales director, presided at business sessions. The new sales training program, and personal money management, or budgeting, were featured.

The agents were guests at the annual football game between University of Texas and University of Oklahoma. A dinner dance closed the convention. The 1941 club meeting will be held in Houston.

Mutual Benefit Plans 7 Regionals

Seven two-day regional conferences will be held by the Mutual Benefit Life in March and April, 1941. The convention cities have not yet been decided upon.

LINCOLN, NEB.—More than 70 agents of the Security Mutual Life of Nebraska attended the annual agency convention here. President Byron L. Stephenson was unable to be present because of an acute but not serious illness, and activities were handled by Vice-president M. A. Hyde, assisted by Vice-president T. A. Sick and E. A. Frerichs, agency manager.

The convention slogan was "Life Insurance Helps to Preserve Democracy," and the main talk on that subject was given by George Quam, Minneapolis general agent. Democracy, he said, teaches men to stand on their own feet and through thrift and diligence to earn security in life, and these are exactly what life insurance inculcates.

Honor awards were given to J. W. Maloney, Omaha, president, and Paul Schlichtemier, Scottsbluff, secretary of the \$150,000 Club, and R. H. Maloney, Benson, president, and E. Engler, Oklahoma City, secretary of the \$100,000 club. Club members were given a special dinner.

V. L. Thompson Speaks

V. L. Thompson, vice-president and agency director Midwest Life, diagnosed the life insurance contract, finding it to be also a life indemnity, an automatic and self-executing will, a trust agreement, disability coverage and a life annuity. Other speakers were T. S. Rogers, Frank Benson, R. L. Woods, Paul Schlichtemier, H. A. Dillman, E. C. Walton, Lloyd Kissinger, Kenneth Frohardt, Verne Anderson, L. J. Davis, C. F. Darnold, W. A. Braden and Mrs. Buchanan.

At the banquet following the convention 125 guests were present. The association of agents' wives held a special meeting.

Manhattan Life Agents Meet in Miami Beach

The 90th anniversary of Manhattan Life was celebrated at an agency conference held for three days in Miami Beach, attended by President J. P. Fordyce and a number of other home office officials. V. W. Edmondson, field superintendent, presided. Members of the Manhattan and Halsey Cup clubs attended.

At the first business session, after welcome by President Fordyce, speakers were: B. L. Frischman on "Selective Prospecting"; Daniel Forman, general agent, Cincinnati, on "Doubling My 1939 Production"; C. R. Corcoran, field assistant, Chicago, on "Comments from the Middle West"; C. V. Cromwell, general agent New York City, "Optional Settlements," and J. G. Ranni, general agent New York City, "Leadership—Its Responsibilities."

The second morning, speakers included A. E. Green, general agent Westwood, N. J., "Keeping on Your Toes"; C. G. Breeze, a banker, who commented on life insurance; C. W. Hollinshead, general agent Marshall, Tex., "Doing First Things First"; J. A. Campbell, general agent New York City, "The Obligation of the Agent"; S. H. Ackerman, assistant secretary, "Information, Please"; W. A. Brill, general agent Cincinnati, "Starting an Agency from Scratch."

Charles C. Edwards, general agent New York City, started off the last session, telling about running a street floor agency. T. E. Lovejoy, Jr., vice-president and treasurer, discussed current financial conditions and problems. Harry Meyers, talked on early qualification for the Manhattan Club; J. D. Robbins, general agent New York City, on prospecting and closing, and G. R. Fotte, general agent Buffalo, N. Y., on "Chart

Your Course." President Fordyce summed up the meeting and there was presentation of the Halsey cup and club shield.

General Agent Ranni was the leading general agent and general agent Edwards, New York City, was second.

Northwestern Mutual Will Hold Two West Coast Meets

MILWAUKEE—Home office officials of the Northwestern Mutual Life are leaving this week for the Pacific Coast where they will participate in regional meetings, at Seattle, Oct. 14-15, and at Los Angeles, Oct. 21-22. The delegation will include Percy H. Evans, vice-president and actuary; Grant L. Hill, director of agencies; John J. Hughes and Ralph W. Emerson, assistant directors of agencies.

Similar programs are being arranged for each meeting, including discussion of salary savings with a sales demonstration, social security, and sessions in which agents participate both on the basis of a quiz program and in set talks. Mr. Evans will address the banquet sessions, and Mr. Hill will give the closing talks. In addition to the home office speakers, leading producers from each region will take part on the respective programs.

At the Seattle meeting the M. H. O. Williams agency will be host. Also participating will be the agencies of J. G. Reinhardt, Spokane; L. F. Larson, Portland, Ore.; G. C. Baldwin, Great Falls, Mont., and E. A. Crooks, Boise, Ida. For the southern group the W. K. Murphy agency will be host. Participating general agencies including J. A. Carlson, Oakland; J. H. Kemp, Stockton; R. J. Shipley, San Francisco; C. S. McMartin, Phoenix, Ariz., and C. C. Guilford, Salt Lake City.

Phoenix Mutual Rally for 1941

Preliminary plans for the 1941 anniversary meeting of Phoenix Mutual Life to be held at Hot Springs, Va., in Sep-

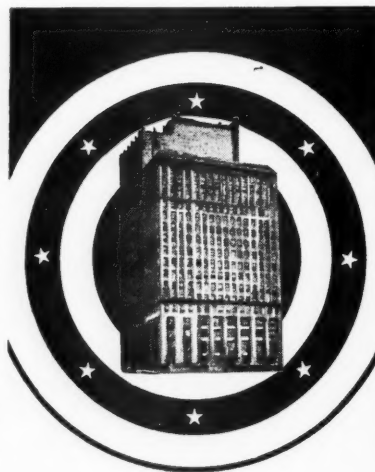
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tember, 1941, have been announced. This is in keeping with the tradition of going back to Virginia for every five-year anniversary conference. Attendance will be based on paid premium quotas, established for the various year groups, and the qualifying period covers 18 months.

Texas Prudential Rally

Agents of the Texas Prudential will hold their annual meeting in New Orleans Oct. 17-19. H. Gale Rogers, vice-president and manager of ordinary agencies, will be in charge. It is expected more than 100 agents, many accompanied by their wives, will attend the convention.

S. E. Kempner, president, will tell the agents what the company has done this year and what it expects to accomplish. There will be reports from other home office men and a discussion of agency problems and how they are met by men who have encountered and solved them.

Capitol Life Oregon Regional

Agency Vice-president Woollen has just concluded a three-day regional meeting in Gearhart, Ore., with Capitol Life representatives from Oregon, Washington and Idaho in attendance. In addition to business sessions, there were many diversions, including golf, and a banquet. M. E. Smead, division supervisor for the northwest, handled arrangements. A feature was the presentation of the baseball trophy by Mr. Woollen to the Tacoma agency, in recognition of its having won the baseball contest recently staged between that agency and the Yakima organization.

Spahn to Hold Conference

An educational meeting for managers and assistants of the western division of the southwest territory will be held by the Metropolitan Life Oct. 16-17 in Kansas City under the direction of Glenn J. Spahn, superintendent of agencies. Twenty districts will be included.

On Oct. 18 Mr. Spahn will entertain the managers, office force and wives in the Kansas City territory at a banquet.

The George Wettengel district agency of the Northwestern Mutual Life held its fall sales meeting at Appleton, Wis. Marue Carroll of the Cameron & Carroll agency at Oshkosh, Wis., and Ernest Metz, office manager, spoke.

CHICAGO

S. A. WILLIAMS' RECORD

S. A. Williams, Jr., with the John R. Hastie Agency of the Mutual of New York in Chicago, was one of the outstanding producers for August, being 15th amongst its 10,000 sales representatives. For a number of years he has specialized on influential and prominent business men, and heretofore has written a number of substantial cases.

Mr. Williams is also a golfer of acknowledged ability and has played tournament golf in Chicago for many years. He has been champion several different times at Evanston Golf Club.

BEHR NOW ASSOCIATE MANAGER

Louis Behr, million dollar producer of the Equitable Society in Chicago, has been appointed associate manager of the Samuel Lustgarten agency of Equitable there, with which he has been associated since he entered the business. Mr. Behr is the author and originator of the Behr prospecting system and work sheets which are published by "Diamond Life Bulletins."

ROYER AGENCY HONORS PRESIDENT

The Henry A. Royer general agency of the Ohio National Life in Chicago is away to a flying start in a "President's Month" campaign honoring President T. W. Appleby.

Mr. Royer led the central division last month in volume and ranks second for the year. He is third for the year in number of applications and was second

last month. G. A. Severance, associate general agent, is the leading division personal producer for the first nine months, and ranks fourth in number of applications.

LAWYERS CLUB MEETINGS

The Chicago Life Insurance Lawyers Club opened its season of meetings Tuesday night, a dinner being held at the Chicago Bar Association rooms. John Weaver presented the paper, a story was told by A. F. Gruenwald and a review of current decisions was given by H. B. Goldstein.

On Nov. 12, W. J. Brown will be the speaker. On Dec. 10, A. C. Rooney will present the paper. On Jan. 14, Paul E. Keller will be the featured speaker. Owen Rall will appear Feb. 11, and E. A. Zimmerman, March 11. H. L. Ekern will have the April 8 meeting and W. L. Bourland, May 13. L. A. Stebbins is the perennial president and presides.

CASHIERS OPEN SEASON

The cashiers' division of the Chicago Association of Life Underwriters held its first meeting of the season Tuesday evening. The meetings are to be held hereafter each six weeks and there will be a speaker at each meeting.

The A. R. Klein Agency of the Home Life of New York in Chicago has appointed D. H. Roseroot special agent. Mr. Roseroot has been in the general insurance business.

COAST

Rulings Favor Caminetti in Chapter 9 Cases

LOS ANGELES — Superior Judge Schmidt denied motion of State Mutual Life, a California chapter 9 company, for dismissal of the conservator order secured by Commissioner Caminetti and also denied the company's motion for a writ of mandamus compelling the conservator to return the company and its assets to the former officers. The court again expressed the opinion it had given in the National Guaranty case that C. W. Harrison, executive vice-president of the State Mutual, was conducting the company for the "feathering of his pocket."

On the salary question, Actuary Carl F. Herfurth fixed the salaries of an executive operating two companies such as the National Guaranty and State Mutual at a minimum of \$12,000 and \$5,000 and a maximum of \$15,000 and \$12,000 for each.

Mr. Harrison declared the ratio of benefits to policyholders of 12½ percent of earned premiums in 1938; 18.2 percent in 1939 and 29 percent in the first half of 1940 was fair to the policyholders, and repeated his offer to work for the company at any salary the court might fix.

The California supreme court, sitting en banc here, heard arguments on Commissioner Caminetti's motion for a permanent writ of prohibition to prevent the superior courts of San Francisco and Santa Barbara counties from interfering with his administration of the Mt. Moriah and Physicians Life of San Francisco and the Benjamin Franklin Life of Santa Barbara. Attorneys on both sides were given time to file briefs.

All Insurance Interests to Confer on Cal. Legislation

SAN FRANCISCO—First of a series of conferences between representatives of various classifications and types of insurance carriers, brokers and agents and the insurance commissioner of California, to consider legislation to be sponsored, supported or instigated next January, will be held in San Francisco, Oct. 22.

In making the announcement Com-

RELIANCE BULLETIN



Published by RELIANCE LIFE INSURANCE COMPANY OF PITTSBURGH

FLASH

Reliance Life is going forward to \$500,000,000 life insurance in force in 1940. At the close of August, it had \$497,343,738.

FLASH

In the first eight months of this year, new life insurance paid for in Reliance totaled \$35,137,525—a GAIN of 4.2% compared with the same period of 1939.

FLASH

Sight and sound—slides and records—are being used by Reliance Life to prove to its field force the value of a new visual demonstrator coupled with a planned sales talk based on monthly premium sales. It is called, "Money, Today and Tomorrow," and its immediate success has been such that Reliance Men everywhere know this new idea means money for them—today and tomorrow—as well as for their policyholders.

THE FAMILY POLICY

The newest addition to our wide selection of plans to cover insuring needs is our Family Policy.

Issued on the Twenty Payment Endowment at Age 85 plan, the contract is drawn to give the same principal benefits as though individual policies had been issued covering each life insured.

The purpose of the Family Policy is to insure the father, the mother, and the dependent minor children of one household under one policy.

Insuring ages 0 to 55; minimum protection one life \$500.

Once again the Volunteer is in the forefront of those Companies offering their representatives the latest in life insurance coverage to meet the modern need.

A Southern Company of Character

THE VOLUNTEER STATE LIFE INSURANCE COMPANY

Chattanooga, Tennessee

Cecil Woods,
President

Howard Blanton,
Agency Vice-President

missioner Caminetti said he has received many suggestions from various groups, companies and associations and that as many of these as possible will be discussed and studied.

Following the general conference special committees for the different classifications will be named to study particular legislation pertaining to their own interests. Out of the series of meetings it is hoped that all differences will be reconciled and a united program presented.

F. H. Haviland on Coast

F. H. Haviland, vice-president in charge of agencies of the Connecticut General Life, is in Los Angeles spending the week with W. G. Gastil, general agent. He will attend an agency luncheon and will participate in the week-end party to be given by Mr. Gastil to the successful candidates in an interagency contest.

Consolidate Aetna Offices

The life offices of the Aetna Life in San Francisco will be consolidated with the Aetna Casualty and other companies in the Aetna group in the Mills building. F. C. Whatley is general agent for the life department and will continue in that capacity. The two divisions have always previously operated as separate entities in San Francisco, the casualty, surety and fire division comprising the western department of the companies, of which C. A. Bonner is general manager.

Business Club Hears Spinney

Facts to refute the charge of agitators that the American system is unfair were presented to the Mutual Business Club of San Francisco by W. R. Spinney, trust advisor of the Anglo-California National Bank, former president of the San Francisco Life Underwriters Association and one of the organizers of the California state association, speaking on "National Unity and the Defense Program."

George H. Harris, public relations officer Sun Life of Canada, addressed the Spokane chamber of commerce on "The Challenge to Democracy."

Clark W. Thompson, public relations counsel American National Life, and his wife are on the Pacific Coast on a combined business and pleasure trip.

POLICIES

Mutual Trust Makes Policy Changes Effective Jan. 1

Mutual Trust Life announced policy changes effective Jan. 1. Policies issued on and after that date on which reserves are sufficient, will have second year cash values. An endowment income for women will be issued to meet a demand from the field for a policy for women to provide an income of \$10 per month per \$1,000 of face amount. This will require special premium, cash and non-forfeiture values. The 1941 policies will have joint and survivor annuity options.

In regard to interest rates, it is hoped to continue the present 3 percent rate on optional settlements and on dividends left to accumulate. To conform more closely to present low interest income on sound investments, annuity rates will be increased Jan. 1, on the following policies: Single premium without refund, single premium instalment refund and single premium joint and survivor. Single premium life policies will be continued, but no single premium endowment, single premium endowment income or any annual premium retirement annuity policy will be issued after Dec. 31.

Brings Out Family Group Form

Capitol Life of Denver announced to its field organization a new family group

NEWS OF LIFE ASSOCIATIONS

Forum Is Held on "Successful Selling"

The San Antonio (Texas) Association of Life Underwriters heard a panel discussion of "Successful Selling," presented by Ross Priddy, Dallas, city agency manager Southland Life, as interlocutor; John Arden, Southwestern Life, Waxahachie; T. J. Tomlinson, Business Men's Assurance, Dallas, and Mrs. Muriel F. Briggs.

Mr. Priddy said, successful selling, in the broadest sense, is not selling through trickery or high pressure. It is not spectacular, but requires the ability to prospect, plan the day, the approach, the interview, an effective close, and calls for the ability to collect.

Mr. Tomlinson, who was asked why he worked so many hours each day, stated he was trained by a man who believed in work. If a salesman gets out and sees enough people he will make sales which will bring his energy up however low his energy may have been when he started out. He uses the company plan book and starts out with a list of more people than he can possibly see in the day. He arranges the list to avoid loss of time. He sells service rather than specific amounts of life insurance. He early raises the question whether the prospect can qualify and suggests a health check.

Other Steps in Sale

Then Mr. Tomlinson asks the prospect whom he wishes to name as beneficiary. Sometimes the man asks, "Are you trying to sell me life insurance?" To this, Mr. Tomlinson replies, "I am not the underwriter, and I do not know whether I can get you insurance." In closing, he always asks for two references, using them for new contacts. When he closes, he immediately begins writing the receipt, which brings up the question of payment. Then he points out that the insurance will not be effective until paid for. This plan of collecting rarely fails.

John Arden, who works in a town of 8,000 people, stated he sells all policies amounting to more than \$2,000 on option basis. This plan has increased the average size of his policy from \$1,196 to \$2,530.

Mrs. Briggs, who sells on a two interview plan, stated when she calls she uses a card on which she fills in necessary information as to the medical condition of the prospect. The next day she calls and asks for the applicant's signature without his having had to look over the full application at any time. This reduces sales resistance. She believes the application blank and rate book cause sales resistance. She is a life member of the quarter million dollar round table of the National Association of Life Underwriters and has produced three applications a week for several years.

All Have Definite Plans

All of the speakers have definite production plans which have enabled them to be members of the Texas Leaders Round Table five years in succession and show a conservation record of better than 90 percent on business exposed.

G. A. Helland, general agent Connecticut Mutual, spoke on the community chest.

Harlan Winn, Travelers, program chairman, announced a social hour will be held in December. The association adopted a resolution on motion of G. A. Davenport, John Hancock general agent, opposing Senate Bill No. 1650,

contract, based on the whole life, paid up at age 65. The company previously put out a family group policy on the 18-year term basis. The field organization has been supplied a kit and instructions for use of the new contract.

introduced in the U. S. Senate by Senator Josh Lee, Oklahoma, and claiming that it would destroy the system of private property through what would amount to confiscation of all wealth.

Two-Day Sales Congress Being Held in Fargo

North Dakota and western Minnesota agents will gather in Fargo, N. D., Friday noon for the annual two-day sales congress sponsored by the North Dakota Life Underwriters Association. R. A. Trubey, president, will preside.

Mayor Olson will extend a welcome, with response by H. O. Anderson, Fargo, secretary-treasurer North Dakota association.

Speakers will include Wright Scott, Minneapolis, president Minneapolis and Minnesota Life Underwriters Association; Al Joelson, Fargo, Travelers; Cameron Hurst, Minneapolis, organizer New York Life, and Ray Habermann, Minneapolis, associate manager Northwestern National Life.

Dr. D. A. Anderson, Minneapolis, representing the Equitable Society, will be the main speaker at the evening session, with R. A. Trubey as master of ceremonies.

M. H. Toussant, Fargo, vice-president, will preside Saturday. Speakers will be E. H. McVeety, Minot, N. D., Equitable Society; A. R. Bjella, Grand Forks, Mutual Life of New York; A. W. McNair, Fargo, Union Central Life, and H. O. Chapman, secretary-treasurer Policyholders National Life, Sioux Falls.

Rohrer and Dembufsky Are Added to Peoria Program

PEORIA, ILL.—Dr. P. L. Rohrer, Chicago, industrial psychologist, and H. F. Dembufsky, Aetna Life, Indianapolis, have been added to the program for the sales congress of the Peoria Life Underwriters Association Nov. 1-2.

Speakers already announced are Harry T. Wright, Chicago, president National association; Roy L. Davis, assistant director of insurance of Illinois, and Paul Speicher, R. & R. Service, Indianapolis.

In connection with the annual meeting of the Illinois Association of Life Underwriters Nov. 1, a school for local association officials will be conducted by Miss Joy M. Luidens, executive secretary of the Chicago association, and other association leaders.

C. T. Wardwell is general chairman of the sales congress; L. O. Schriver, chairman speakers committee and Mrs. Frederick Schnell, chairman women's entertainment committee.

Wright, Petillon, Wilkes and Anderson in Pittsburgh

PITTSBURGH—The annual sales congress of the Pittsburgh Life Underwriters Association will be held in the Hotel Schenley, Oct. 17.

At the morning session Harry T. Wright, Equitable Society, Chicago, president National association, will speak on "Life Insurance, a Great Democracy," and C. E. Petillon, assistant general agent Berkshire Life, Pittsburgh, on "Eighty Percent of the Sale."

In the afternoon E. H. Wilkes, vice-president Metropolitan Life, will talk on "Americanism" and C. Vivian Anderson, Provident Mutual, Cincinnati, former national president, on "Courage in Selling."

The theme is "The American Way—Through Life Insurance." The Institute of Life Insurance "American Portrait" will be shown between sessions.

Members of the Pittsburgh association are contacting candidates for the house and the senate to find out if they are opposed to government competition

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PENNSYLVANIA

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in insurance, and if they favor the protection of insurance assets.

The directors have ratified the statement of principles of cooperation adopted by the National association and the American Bar Association. Similar action was previously taken by the Allegheny County Bar Association.

Nashville—John Witherspoon, John Hancock Mutual, spoke, his first public appearance since being elected vice-president of the National association.

Topeka, Kan.—A. D. Hemphill, St. Joseph, Mo., manager Equitable Society, spoke last week. He is a product of western Kansas and one of the first to get the C. L. U. in the state. He is one of the greatest producers that Kansas has brought forth. The address was sponsored by the general agents and managers association.

Lehigh Valley, Pa.—C.L.U. classes have begun at Muhlenberg College with an enrollment of 24 from Allentown, Bethlehem and surrounding territory. Because it is the first study group that the association and the American College of Life Underwriters have succeeded in starting, this year's course will cover part I only. The class is being taught

by J. F. Jeremiah, professor Wharton School of the University of Pennsylvania. The class meets each Wednesday from 4 to 6 for 30 sessions.

London, Ont.—J. A. Sinnott, Montreal Life, has been elected president; T. O. Robinson, London Life, vice-president, and J. K. Shook, Imperial Life, a director.

Central Massachusetts—At a meeting in Worcester, Mayor Childs of Newton, Mass., spoke on "How Business Men Look at Life Insurance Agents."

Vancouver, B. C.—"Payments of life insurance companies to policyholders and beneficiaries has exceeded by more than 80 percent all relief payments paid out

by federal, municipal and provincial governments during the depression," Field Supervisor A. G. Nairn of the Canadian association said.

"The great flow of life insurance dollars into the coffers of the insurance companies is being increasingly lent to the federal government to assist it in prosecuting the war effort."

Corpus Christi, Tex.—H. G. Hewitt, Northwestern National Life, Houston, Tex., spoke on "Talk Money by the Month." Using a scroll which showed a chart of life insurance in terms of monthly income, he took a young man, 23 years of age and holding his first job,

and carried him on through the various buying stages.

Des Moines—The meeting Oct. 15 will be a joint luncheon with the Des Moines Advertising Club. Vernon Vining of Proctor Electric Company will speak.

President George J. Pfanz, Jr., Union Central Life, announced the appointment of committees.

Wichita, Kan.—Past President Lee Wandling, Equitable Society, reported on the National association meeting. Plans for carnival night to be held in November and ladies night during Christmas week were announced by Earl Reed,

PROPERTY MANAGEMENT — DIRECTORY —

• The property management firms whose names are shown on this page have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

Title Insurance Companies

• The title insurance firms whose cards are shown on this page have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

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program chairman. A platform for the year was announced by President William Nicholls, Jr.

Washington, Pa.—L. McK. Crumrine, attorney, past state commander of the American Legion and a lieutenant colonel in the Pennsylvania national guard, spoke on "Sound Economics."

New Castle, Pa.—L. W. Jackson, State Mutual Life, Pittsburgh, spoke on "Selling the Young Man."

Butler, Pa.—W. J. Wright, assistant general agent Penn Mutual Life, will speak Friday on "Developing Three-Point Prospects."

Ames, Ia.—Efforts to form an association here have been meeting with success and organization is expected to be completed shortly.

Seranton, Pa.—A. B. Levy, Philadelphia, president Pennsylvania association, talked on "The Importance of Salesmanship" at the first fall meeting, and S. J. Joyce, Pottsville, vice-president state association, spoke. A special luncheon meeting was held for general agents and representatives of insurance companies to make plans for the sales congress which will be held Oct. 19 in Wilkes-Barre, G. F. Schautz, Seranton president, and M. A. Stoltz, president Wilkes-Barre association, are co-chairmen. P. C. Sanborn, general agent Connecticut Mutual, Boston, and D. R. Mason, general agent Aetna Life, Syracuse, will be on the program.

Baltimore—E. L. Heaver, president Fastpick Corporation, spoke on "How to Increase Your Efficiency." R. U. Darby, Massachusetts Mutual, reported on the national council meeting at the National association's convention.

Northern New Jersey—About 21 new members will be admitted at the meeting Oct. 14. President Fred A. Ditmars has appointed a new "general committee" with 28 members.

Memphis, Tenn.—With David Amacker, professor of political science, as teacher, 19 members are taking the C. L. U. course at Southeastern University, for the third year of the required four years' study.

Los Angeles—Reports on the highlights of the Philadelphia convention were given by Henry E. Beiden, Union Central Life; R. E. Belknap, assistant secretary Occidental Life; B. M. Fuller, Equitable of Iowa; Roy Ray Roberts, State Mutual, newly elected national trustee; Marvin Sherman, and Ron Stever, Equitable Society, and J. W. Yates, Massachusetts Mutual.

Cleveland—Dr. H. W. Dingman, medical director of the Continental Assurance, will speak on "Minimizing Rejections or Turning Losses Into Profits."

The women's group heard a representative of the Ohio Bell Telephone Co. discuss "Use of the Telephone in Selling."

Little Rock, Ark.—The association acts as protective agency for the insurance dealer and the policyholder, members agreed at a forum conducted by A. L. Woolfolk, Equitable Society. Members supplying the answers included Norman Lisk, Metropolitan Life; F. A. Vineyard, Aetna Life; A. J. Johnson, Business Men's Assurance, and George Lamberson, president National Old Line. The program was in charge of R. H. McKinney, John Hancock.

Cincinnati—R. M. Hamburger, general agent Northwestern Mutual, Minneapolis, will speak before the local association Oct. 18.

Akron—Chester C. Lake, agent for Travelers, was honored at the regular monthly meeting. He is well known in Ohio insurance circles and a national committeeman for the Akron association. He reported on his recent attendance at the national convention. Three speakers featured the meeting: S. O. Schumacher, general agent Provident Mutual Life, discussing "Time Control"; Robert Ledrich, assistant manager Metropolitan. "The Place for Industrial Life Insurance in the Home," and R. E. McKinney, agent

10-DAY SPECIAL

GLADSTONE BAGS

Reg. \$15 Values—

\$10

Genuine leather—leather lined. Cash with order unless rated concern.

KING'S

916 Calhoun St.
Fort Wayne, Ind.



Changing Industrial to Ordinary Form

An agent acting with the utmost common sense and good faith may properly place an industrial policy on the life of an applicant for insurance only to have the insured find later that his circumstances have changed, so that the weekly premium industrial policy does not fit his needs as efficiently as would an ordinary policy, James G. Bruce, assistant actuary Colonial Life, said in his address on "The Conversion of Industrial Insurance into Ordinary Insurance" before the Industrial Section of the American Life Convention in Chicago.

This change in circumstances of the insured after he has taken out industrial insurance is something that the critics of life agents have failed to give proper consideration in commenting on the alleged large lapse ratio of industrial policies.

Should Prevent Dissatisfaction

Mr. Bruce emphasized that the agent for the best interest of everyone, should sell insurance in the first place so that an industrial policy will not be placed where ordinary insurance would better serve the applicant, and vice versa. For, he said, if the agent does not, dissatisfaction arises that can be only partially alleviated by changes after the policy has been issued.

He stressed also that the agent should keep in close touch with the policyholders on his industrial debit so that he will be in a position to point out the advisability of a change from industrial to ordinary or intermediate insurance as soon as it becomes apparent that the best interests of the insured would be served by making a change.

Give Three Suggestions

To support this contention, Mr. Bruce advanced the following considerations:

1. A competing agent may claim that a change to another company would be better than continuing the industrial policy.
2. When the original company's agent has attended to the interests of the insured, the confidence of the insured in that agent is tremendously increased and he is that much more ready to listen to the recommendations of the agent for a well-balanced insurance program.
3. Many times a policyholder whose mind has been poisoned by unfair attacks of radio counsellors may have his confidence in the company and the agent restored if the agent is in a position to effect a conversion to ordinary in those cases where a careful analysis, or conference reveals any real reason for dissatisfaction.

"Of course," he continued, "the agent must take a level-headed attitude and not busy himself with upsetting industrial insurance merely for the excuse of pretending to give service to the policyholder. This is a tremendously important point, and I repeat that industrial insurance should be written in the first place with the intention of permanence."

In this connection Mr. Bruce stressed that the agent should not consider his own financial advantage either way in advising the client to retain his industrial policy or to convert to ordinary insurance. On the question of allowing commissions on converted business he expressed the belief that a reasonable rule would be to allow full renewal commissions beginning with the first renewal commission paid under the new policy, and, if the new policy is still in its first policy year, to allow as a first year commission the excess of the full first year commission under the new policy over the first year commissions or allowances already paid under the industrial policies.

Discussing the home office view on conversions he said it was interested in the same considerations as the agent; that is, it wants the satisfaction and confidence of its policyholders, it wants the insurance to continue in force on the most reasonable basis, and it wants to help its agents to maintain their income. Naturally, in addition, there are many administrative problems that the home office must also think of, he said.

Has Been Unfairly Attacked

From the point of view of public relations, he called attention to the fact that industrial insurance has been unfairly attacked from various sources and that much of the criticism deals with improper selling. For example, the S.E.C. investigation in Massachusetts has developed statistics which purport to show that industrial insurance has been poorly distributed, he added, that it exists in many places where it should not have been sold.

He stressed that industrial insurance is needed today just as it has always been, because there is such a multitude of persons who cannot qualify for ordinary insurance, no matter how much they might desire it. Also that industrial insurance must cost more than ordinary insurance because of the manner in which it must be sold, in smaller units and with collections to be made weekly or monthly instead of only four times, twice or once a year. Also that it should be recognized that the class of persons who must have industrial insurance need the competent advice of agents who are familiar with the neighborhood and the circumstances of the insured. Moreover, that in modern society this class is constantly shifting from place to place or neighborhood to

INDUSTRIAL FIELD NEWS

neighborhood and that their circumstances as individuals change frequently.

C. I. O. Union Gets Sole Bargaining Rights for John Hancock N. Y. Agents

NEW YORK—A collective bargaining agreement between the John Hancock Mutual and the C. I. O. Industrial Agents' Union was signed this week on behalf of 1,027 industrial agents in the 25 district offices in the New York area, which includes the adjoining counties of Westchester, Sussex and Nassau. Negotiations followed the union's majority in the state labor board election held last May. Home office representatives included B. K. Elliott, vice-president and general counsel, and P. F. Clark, agency vice-president.

The agreement provides "safeguards against unwarranted dismissals," "orderly settlement of any disputed termination" through discussion between the company and the union; recognition of the union as sole collective bargaining agent; machinery for discussion and settlement of union members' grievances relating to working conditions.

The New York state labor relations board recently ordered an election covering John Hancock offices in Buffalo and Niagara Falls. The union is petitioning for elections in other areas.

AGENCY NEWS

Honor Columbia Agency Head on 40th Anniversary

The Columbia, S. C., agency of the Fidelity Mutual Life celebrated the 40th anniversary of Manager Carroll H. Jones with an open house for friends and policyholders. Representing the head office were President W. L. Talbot, Vice-presidents F. H. Sykes and J. R. Sykes, Secretary R. F. Tull and L. J. Doolin, assistant manager of agencies. Following a luncheon, the entire group enjoyed the South Carolina-Georgia football game.

Given Testimonial Dinner

In the evening 60 outstanding South Carolinians sat down to a testimonial dinner in honor of Mr. Jones, with Fidelity representatives from Atlanta and Charlotte, N. C., joining in the tribute. The Columbia agency presented Mr. Jones a silver bowl appropriately inscribed and a number of his friends joined in the presentation of a fine duck



THE DOMINION LIFE

This Company's financial strength and the accumulated experience of over half-a-century enable it to serve well the insuring public.

DETROIT
2724-6 Union Guardian Bldg.
F. W. SIMPSON, Manager

LANSING
800-801 Olds Tower Bldg.
ROY G. NOWLIN, Manager

ESTABLISHED 1889 — HEAD OFFICE — WATERLOO — ONTARIO

PURE PROTECTION
LOW COST
LIFE INSURANCE

Ordinary, Whole Life Policy Without Investment Features
Life Insurance In Itself Is Inexpensive
ESTIMATED AVERAGE ANNUAL COST
AGE 40 ... \$16.40
PER \$1,000.00
33 Years of Dependable Service to Policyholders

Interstate Reserve Life Insurance Company
Ten East Pearson Street, Chicago

82 YEARS OF STEADY GROWTH
Makes for Confidence in the Future

MONUMENTAL LIFE INSURANCE COMPANY

Home Office—Baltimore, Md.

gun. Telegrams and letters were received from friends in nearly every state.

Testimonial Dinner for Smith

BUFFALO—A testimonial dinner, honoring W. M. Smith on his 10th anniversary as manager Buffalo agency Mutual Life of New York, was given with more than 60 representatives of the company from western New York attending.

The principal speaker at the banquet was G. A. Patton, vice-president and general manager of the company. A. K. Jackson, district manager Jamestown, presided.

Mr. Smith was appointed manager of the Buffalo agency in 1930, after having served as superintendent of agencies and agency organizer in Rochester. He has taken an active part in directing the affairs of the Buffalo Life Managers and Buffalo Life Underwriters Association.

Agency Honors Prouty

Paying tribute to Phineas Prouty, Jr., on this third anniversary as general agent, his agency of the Connecticut Mutual Life in Los Angeles wrote 31 applications for \$151,259 in a one-day production drive. E. E. Hughes was the leader with three applications for \$21,100, and J. B. Jouvenat, Jr., was second with three applications for \$18,000.

Cunningham to Fete Agents

Riley G. Cunningham, Wichita manager Metropolitan Life, is entertaining his entire office and agency staff including their wives at a dinner-dance Oct. 27 in recognition of a 25 percent increase in production for the third quarter.

Fulton Speaks in Detroit

DETROIT—James A. Fulton, president Home Life of New York, spoke to field men of the two local general agencies under L. L. Mackey and A. D. Sutherland, general agents.

Walter Jolley Installed

GRAND RAPIDS, MICH.—Walter Jolley was installed as general agent here for the Massachusetts Mutual Life at a luncheon attended by Joseph C. Behan, vice-president, and Arthur D. Lynn, assistant director of agencies, from the home office. E. W. Hughes, Chicago general agent, with whose organization Mr. Jolley has scored a success and several Michigan general agents were present. Mr. Jolley succeeds D. H. Treleven, who will continue as an agent.

New offices of the **Guardian Life** on the top floor of the Guardian building, St. Paul, were formally opened Oct. 7. Frank F. Weidenborner, vice-president, was on from New York for the occasion. Elmer Oistad, immediate past president of the St. Paul Life Underwriters, is general agent.

Honor President Head in October

Agents of the General American Life are competing in their annual observance of President's Month in October, honoring Walter W. Head.

Each letter in the 10-word "Break Quota" contest slogan represents 10 percent of an agent's quota for the month. His sales record will be shown later by letter until 100 percent is reached and the two words are completely spelled out.

A bronze plaque is being offered to the agency in each of six groups which has the greatest percentage increase over its established quota. Special stickers addressed to President Head are being attached to applications.

THE WOMAN'S BENEFIT ASSOCIATION

Founded 1899

A Legal Reserve Fraternal Benefit Society

Bina West Miller, Supreme President
Frances D. Partridge, Supreme Secretary
Port Huron, Michigan

FRATERNALS

Matthews on National Hookup

Francis P. Matthews of Omaha, supreme knight, Knights of Columbus, will speak over the blue network of the National Broadcasting Company the evening of Oct. 12, Columbus Day, on "Christopher Columbus." His address will be heard in the United States and Canada. An elaborate program of radio addresses originating in all of the 48 states, District of Columbia, Quebec and Cuba has been arranged. Hundreds of K. of C. councils have projected special programs in observance of the day, including radio broadcasts, church services, banquets, social affairs and degree exemplifications.

Hunts for False Fraternals

Commissioner Gontrom of Maryland is conducting an investigation to determine whether there are any insurance organizations in the state that are not truly fraternal associations and that are masquerading as fraternals in order to take advantage of the laws governing fraternal societies and exemption from taxation.

Iowa Congress Meets Oct. 25-26

The Iowa Fraternal Congress will hold its annual convention in Des Moines Oct. 25-26. Mrs. Margaret Hazel, Des Moines, is president. About 300 delegates are expected to attend.

Two good Named Iowa Manager

DES MOINES—R. B. Twogood, formerly of Sioux City, Ia., was appointed Iowa state manager by the Maccabees. The state office was moved to Des Moines from Cedar Rapids. Mr. Twogood succeeds Richard Burgin, who died in June.

Honor Aleshire in Campaign

O. E. Aleshire, president Modern Woodmen, is being honored by an October-November "President's" campaign.

MANAGERS

Supervisors' Panel Discussion

The Supervisors Group of the Cleveland Life Underwriters Association held a panel discussion under the leadership of Vernon Kroehle, Northwestern National Life, assisted by R. H. Graham, Equitable Society, and A. B. Colla, Northwestern Mutual Life. Subjects discussed were "The Manager's Job," "Analyzing a Branch Territory for Development," and "Planning a Year's Program—Management Objectives."

Murrell to Talk in Newark

NEWARK—T. G. Murrell, Murrell Bros., Los Angeles, general agents the Mutual Benefit Life, will speak at a dinner meeting of the Life Agency Supervisors of Northern New Jersey here Oct. 15.

Indianapolis Managers Meet

The General Agents & Managers Association of Indianapolis at a meeting discussed plans for the year and heard reports from members who attended the Philadelphia convention of the National

Association of Life Underwriters. It was decided to put on again a midwest managers conference next spring. H. E. Storer, Bankers Life of Iowa, is chairman of arrangements. A school for producers also will be held.

A mass meeting will be held Oct. 24, sponsored by the association, chamber of commerce and other civic bodies. Merle Thorpe, editor "Nation's Business," will speak. Paul Speicher, R. & R., reported a sales congress will be held Dec. 6-7.

Probe Governmental Proposals

A committee to investigate Senator Wagner's proposed annuity bill and other "governmental attempts to make inroads on the life insurance business," was appointed at a meeting of the Buffalo Life Managers Association. President L. G. Thebaud, will head the committee which is composed of a group of leaders in the life insurance business. Following a series of studies, the committee will make recommendations to congressmen from this district as to what action they should take on these measures.

W. M. Smith, T. C. Snow, A. L. Beck and Sidney Wertimer reported on various phases of the recent convention of the National Association of Life Underwriters.

Management School in Columbus

The Columbus (Ohio) Association of Life Managers & General Agents is sponsoring a one-day school of the Sales Research Bureau in Columbus Oct. 18. B. F. Hadley is general chairman. Managers and general agents from the entire state have been invited to attend. Emphasis will be on improving sales techniques. B. N. Woodson and L. W. S. Chapman of the bureau will present the subject material. P. M. Smith is in charge of reservations for out-of-town men and local reservations are being handled by R. G. Leuzinger, with Sterling Youngquist in charge of hotel reservations. Arrangements have been made for the visitors to secure tickets for the football game the following day.

Wichita Opens Fall Season

The Wichita Life Managers & General Agents Association held its opening fall meeting with a report on the National Association of Life Underwriters convention by President Lee Wandling, Equitable Society. Committee appointments and plans for the year were announced.

Talk on Dictators' Challenge

Hugo Bedau, vice-president National Association of Sales Managers spoke to the San Francisco General Agents & Managers Association on "The Dictators' Challenge to the American Way of Selling."

Kenagy Is Cleveland Speaker

The Cleveland Life Insurance Executives Club heard H. G. Kenagy, superintendent of agencies Mutual Benefit Life, talk on "Let's Try Management."

Life Women Have First Meeting

The first fall meeting of the League of Life Insurance Women was held at the Women's City Club, New York. Ralph Engelsman, Penn Mutual, and Lloyd Patterson, President New York Life Underwriters Association, spoke.

WOODMEN OF THE WORLD LIFE INSURANCE SOCIETY

Its investments of more than \$129,000,000 are largely in Government State and Municipal Bonds.

It has paid to beneficiaries over \$266,000,000, and to living members over \$51,000,000.

It values all of its outstanding business on the American Experience Table and 3%, and for each \$100 of reserve and current liability it has assets on hand of the value of \$117.51.

Through prosperity and depression, war and epidemic, its financial strength has paralleled its record of insurance and fraternal service.

It maintains at San Antonio, Texas, an endowed free hospital for members who suffer with tuberculosis. This institution is on the accredited list of the American College of Surgeons.

Founded in 1890, the Society is this year celebrating its 50th Anniversary with a great nation-wide campaign for new members.

De E. Bradshaw, Pres. Omaha, Nebr.

The A. O. U. W. of North Dakota

THE PIONEER OF FRATERNAL LEGAL RESERVE SOCIETIES

Provides All Popular Forms of Life and Disability Insurance

A True Fraternal and a Mutual Life Insurance Association

Home Office—Fargo, N. D.

PROTECTED HOME CIRCLE SHARON, PA.

FOUNDED IN 1886

A Legal Reserve Fraternal Insurance Society

S. H. HADLEY, Supreme President

L. D. LININGER, Supreme Secretary

SHARON, PA.



A Legal Reserve Fraternal Life Ins. Society
309 W. Jackson Blvd., Chicago

Elect Julian Price Head of ALC

(CONTINUED FROM PAGE 9)

ing cannot expect to build successful careers in life insurance.

In comparison with other lines of work Mr. Coolidge feels that the men who fail in life insurance would probably not make much of a showing in other lines.

Denied Charge of Critics

He denied the charge of some critics that many men had been taken away from the security of salary jobs only to fail as life agents because of home office pressure.

Touching on the future of the life insurance business and the agency system, he expressed the opinion that regardless of the prediction the government will take over life insurance or regulate it more rigidly the wish of the people will prevail. He said that the agency department officials can do a better job of training agents particularly in regard to imparting better prospecting habits and better work habits. There is great room for improvement in the training and selling skill, he said.

Holgar J. Johnson Speaks

Holgar J. Johnson of New York City, president Institute of Life Insurance, said in his address life insurance has arisen to its great prominence due to public demand. Competitive features, he declared, have proved wholesome. They help to assure the public of a fair profit and keep the business alive to changes which are in keeping with public demands. There are 300 legal reserve companies operating in the U. S. as compared with 76 in 1900.

Frank F. Weidenborner, vice-president Guardian Life, was elected chairman of the Agency Section and J. C. Higdon, vice-president Business Men's Assurance, secretary.

LEGAL SECTION

Attorney M. E. Benson of the American Life Convention executive staff gave as usual a review of recent decisions of note. He referred especially to the National Labor Relations Board holding in the John Hancock Mutual cases involving a dispute with industrial agents labor union. The company maintained its agents were independent contractors. This was overruled except the one contention that junior agents should be included in the bargaining unit.

Nationwide Investment Service

Prefatory to its findings, the board paid particular attention to the so-called "nation wide investment service" rendered by insurance companies, and the board observed that "the amount of money annually invested by insurance companies in commercial enterprises of almost every description is huge; that its withdrawal from the money market would seriously impair that free flow of capital and credit which is essential to the commercial life of the United States is beyond question." Thereupon the board proceeded to a finding that "the questions concerning representation which have arisen, occurring in connection with the operations of the company * * * have a close, intimate, and substantial relation to trade, traffic, commerce, and transportation among the several states, and tend to lead to labor disputes burdening and obstructing commerce and the free flow of commerce." With this basis for jurisdiction, the board ordered that an election be held in each case among the industrial agents, to determine for the purpose of collective bargaining whether or not the industrial agents in the East St. Louis office desired to be represented by the American Federation of Industrial & Ordinary Insurance Agents Union (A. F. I. O.), and whether or not the agents connected with the Hoboken office desired to be represented by Industrial Insurance Agents Local No. 84 of the United Office & Professional Workers

of America (C. I. O.). It is to be noted that in neither case was a choice between unions involved. Mr. Benson is informed that the American Federation of Labor was selected as the bargaining representative by the agents in the East St. Louis office by a vote of only 20 to 17.

Cannot Seek Judicial Review

He said: "It should be noted that the proceedings in this case involved only industrial agents and that the only order issued was that directing that an election be held under the regional director as part of the investigation and certification proceedings provided in Sec. 9 (c) of the national labor relations act. Notwithstanding various comments to the contrary, the company in this case did not, and could not, seek judicial review of this order and the findings upon which it was based since no provision was made for such review. Furthermore, the U. S. Supreme Court in *American Federation of Labor et al. v. National Labor Relations Board*, 308 U. S. 401, has held that such proceedings are not subject to court review. It is not until the company has committed an 'unfair labor practice' by refusing to bargain with the properly certified union, or, otherwise, can the conclusions of law and findings of fact necessary to support jurisdiction of the National Labor Relations Board over an insurance company's employee be subject to review by the courts if the company then choose to contest the decision."

Taxation Cases

Among the cases of greatest interest he said were those dealing with the right of companies in computing federal income tax to deduct a specified percentage of the mean of disability reserves as "reserves required by law" within the meaning of the federal revenue acts. They involved the Monarch Life, Pan American Life, Oregon Mutual Life, and some further developments in the New World Life case decided by the court of claims Nov. 6, 1939.

He said "during the past year 712 cases appeared in the Legal Bulletin. Of the cases which appeared since our last meeting 307 cases were decided in favor of the companies, while 249 cases resulted in decisions adverse to the companies. Companies were not directly involved as party litigants in the other 156 cases. Thus the companies were successful in more than 55 per cent of the cases which reached the higher courts."

DECHERT SPEAKS

At the luncheon Robert Dechert, Penn Mutual counsel, related the details of the uncovering of an arsenic poisoning ring in Philadelphia. In introducing Mr. Dechert, Mr. Cabaniss created much merriment when he referred to the last year's luncheon speaker who discussed cancer and had members feeling for bumps during the rest of the session. Mr. Cabaniss told the lawyers not to worry about having arsenic in their coffee after hearing Mr. Dechert.

Gurney Favors Equity Actions

Many insurance company lawyers who have sought the sanctuary of equity courts because they have found these give a calmer and more impartial consideration to the cause, better isolating the issue and permitting deliberate application of the proper rules of law, look somewhat regretfully upon the passing of the equity court as such and its merger with jury courts, J. T. Gurney, Orlando, Fla., associate counsel Bankers National Life, declared in a paper on "Resort to Equity After Claim for Disability." Whether this development, which is not yet complete, will result in putting more of the equity side into the law or more

of the law side into what was equity has yet to be fully determined. He said the experience of companies on the law side of the court in disability actions scarcely can be called encouraging and there is little hope that it ever will be.

Important Type of Case

One of the largest, if not the largest, classifications of cases in which it is held an inadequate remedy exists at law and hence resort is mostly to equity is the situation arising when the loss has occurred and no action has been brought against the company and the contestable period may run before the company can contest the claim, whereupon the defense of fraud would be barred, Mr. Gurney said. The ground of equity jurisdiction now is held established in practically all the jurisdictions. When dealing primarily with disability claims as related to a court of equity, it is of great significance in a particular case to know if the incontestable provision applies to the disability provision. He said the federal declaratory judgment act seems to be serving a very useful and fairly satisfactory purpose in permitting the companies to move promptly to determine their position, but compared with relief in a court of equity, where the latter is obtainable, this means suffers by comparison. The law seems to be rapidly crystallizing to the effect that federal district courts in declaratory judgments proceedings under the federal statutes will not enjoin an action previously brought in a state court involving the same subject matter.

WAIVER AND ESTOPPEL

An interesting paper on "Waiver and Estoppel as a Substitute for Payment" was read by M. W. Mangus, general counsel State Life of Indiana. He said in life insurance any decision that countenances a general policy of permitting an insured or beneficiary to participate in an enterprise in which nothing was placed at risk, or sanctioning an attempt to foist on the company a worthless unsecured promise to pay a premium, is an attack upon the institution and the millions of persons who faithfully perform their duties entitling them to participate in the benefits. There is widespread failure to comprehend the nature and purpose of a premium, he said. The claim of waiver of lapse is usually urged where the insured dies within a comparatively short time after the claimed waiver. The beneficiary "benevolently" comes in with a subtle, unsound and plausible show of fairness, Mr. Mangus said, offering the company the privilege of deducting the premiums and loan interest that would have been paid had the policy been kept in force. This offer is likely to be impressive to one who has not studied life insurance, he said. He asked where life insurance companies would be if they broadcast the offer to beneficiaries to make claim for the face amount of the policy upon the insured's death, less the accrued premiums. Only those whose insured died in the early years of the insurance would make such claims and the others would forget the company.

This is not an easy matter to get before the courts, Mr. Mangus commented. The whole theory of life insurance is based upon the principle that only those who have put at risk their premiums in a trust fund are entitled to participate in the fund. They cannot wait until the race is run and then place their bets.

R. H. Kastner's Review

"Preparedness is prominent in our national thoughts today," declared Ralph H. Kastner, associate counsel American Life Convention, in opening his "Review of Legislation and Departmental Action—1940" before the Legal Section.

"And if experienced 'preparationists' are what we need to the utmost—why there is no need for worry in that respect. We are the best prepared nation on the globe in respect to 'preparationists,' for it seems to me that, in our

various legislatures, we have a real abundance of them, judging by the fact that always they seem to be preparing a bill to do this or change that. In the legislative year that has just rolled around we may not have been subjected to a 'blitzkrieg,' yet prospects and developments were such that we were necessarily kept constantly on the alert.

Off Legislative Year

"As you are so well aware, the even numbered years are the 'off' legislative years. Hence, only Congress and eight states (Kentucky, Louisiana, Mississippi, New Jersey, New York, Rhode Island, South Carolina and Virginia) met in regular session. Ten states (Arizona, California, Illinois, Maine, Missouri, Nebraska, New Mexico, Ohio, Pennsylvania, and Vermont) however, found it necessary to hold one or more special sessions, and the Alabama Legislature was reconvened for a short time, also. Some 1,900 legislative proposals were reported to the convention headquarters. Of this number, less than 450 were deemed of sufficient importance to be bulletined to member companies through the medium of convention legislative, special or tax bulletins. New York was a prolific state for bills considered and enacted, 40 percent of the measures clearing through our office dealing with that single state."

He referred to some of the new developments in the war between capital and labor kept constantly to the front through the activities of the various district offices of the National Labor Relations Board in enforcing and extending the provisions of the federal wage and hour law. He said that the federal wage and hour law may prove to be somewhat of a "bug-bear" if the present efforts of some of the division offices continue.

State Legislative Activities

Among the subjects he found worthy of discussion in state legislatures were: State premium tax enactments, and court decisions touching thereon; unemployment compensation, graduated land tax bills, inheritance and estate taxes, taxes on policy proceeds, state income tax laws, gift taxes, municipal taxes, intangible taxes, new legislation touching on policy provisions, aviation riders, automatic premium loan provisions, efforts of some states to escheat unclaimed policy proceeds to their state treasury, various state wage and hours laws and employer-employee relations, group insurance, industrial insurance, new law relating to life insurance on minors, etc.

Other subjects he discussed briefly included the new insurance code in Alabama, the activities of the Piper committee in New York State, changes made in the authority of the insurance departments in New York and Louisiana, the uniform insurer's liquidation act of New York, the uniform unauthorized insurers' act of Louisiana, which was recommended by the National Association of Insurance Commissioners, with some modifications, and the failure of similar measures to pass in South Carolina and Virginia. Also debt moratorium and delinquency judgments, new bill relating to the trustees of mutual companies, measures having bearing on the form of insurance applications, agent license bills, also state health insurance systems and savings bank insurance.

J. H. Cabaniss of Birmingham, general counsel Protective Life, retired as chairman of the Legal Section and the secretary of the section, E. A. Roberts, vice-president and general counsel Minnesota Mutual Life, was elected chairman. Joseph O'Meara, Jr., associate counsel Western & Southern Life, becomes secretary.

FINANCIAL SECTION

Chairman F. J. Travers in his remarks said: "Bond yields have again declined. Average maturities of U. S. government bonds yielded 2.3 percent a year ago and yield only 1.6 percent today. Best quality municipals yield even less than U. S. Government bonds.

Refunding of utility bonds at lower interest rates continues, and yields of 2.7 percent prevail for the best utility names. The yield difference between best grade and medium grade bonds is shrinking. The investor gets less pay than ever before for assuming extra risk. Diversification possibilities continue to be curtailed by the so-called private deals. Tremendous receipts of gold have expanded the nation's credit base. Meantime there has been very little new corporation borrowing. Electric companies, for example, borrowed only sixteen million dollars new capital last year. About the only sizable borrowers are the U. S. government and builders of homes.

Great Increase in Assets

"During the past 12 months the assets of life companies have increased by \$1,500,000,000. About 40 percent of this increase is represented by U. S. government bonds. Twenty-five percent is public utility bonds. Around 15 percent of the increase is in city mortgage loans, and somewhat smaller proportions in industrial and municipal bonds. Life companies have increased their holdings of public utility securities by \$400,000,000 at about the same time the utility industry was raising only \$16,000,000 of new capital. It must follow that life companies are acquiring great quantities of utility bonds formerly held by individuals, banks and other types of investors.

Some Cause for Thanks

"We investment people have had many things to be thankful for during the past 12 months. Practically no bonds have defaulted; railroad earnings, still inadequate, have improved; and the utility business, in which life companies have a much larger investment than in railroad bonds, has continued to expand and to prosper. The building of homes has reached the highest level since 1929, which means increased opportunities for mortgage loans. A large proportion of life insurance investments have been made in earlier years at more generous yields than those which prevail today; and many of them are, fortunately, non-callable.

"What are our principal problems under present conditions? The low level of bond yields and their declining tendency is a matter of serious concern. There is comparatively little new borrowing in the face of an expanding volume of funds available for investment.

Problem with Railroad Bonds

"One of our supervision problems is with railroad bonds which, fortunately, comprise less than one-tenth of most life companies' assets. Even allowing for a reasonable continuation of the present upward earnings trend, when we compare railroad debts with the earnings available to pay those debts and observe the trend of earnings over a period of years, there is little basis for optimism. The seeming inability of roads in default to emerge from their reorganization status is likewise depressing. When these bonds were issued, the railroads seemed to have a monopoly of transportation. The competitive forms of transportation which have since appeared were not easy to visualize. In a similar way, it is not easy today to visualize a development which will impair the earning power of the electric utility industry. Nevertheless, considering what has happened to the railroads and to certain other industries, it is anything but reassuring to witness the present practice of issuing utility bonds having maturities far into the future and little or no debt repayment provision, and rated Aaa at that!

Situation in England

"In England, utility mortgages bear a more reasonable ratio to property values than do those of American utilities and, in addition, a more rapid debt repayment is provided. It seems to me that in the interest of safety for policyholders' funds life companies and other investors should try to avoid a repeti-

THREE GRACES — 1 = 2



MILDRED M. HAMMOND

At the annual meetings of the American Life Convention the registration desk is the center of convention detail activities. It is there that information on various subjects is given. In fact, those at the registration desk must be all things to all men. The work is in charge of two very important convention officials, they being Assistant Secretary



LILLIAN WILLE

Mildred M. Hammond and Assistant Treasurer Lillian Wille. At executive headquarters they play a prominent part in the work of the organization. Officially they are most efficient and able. Personally they are most agreeable and delightful. They are hard at work at the annual meeting this week at the Edgewater Beach Hotel, Chicago.

tion of their experience with rail bonds.

"In this connection it is fair to pay tribute to the municipal water and electric enterprises, which typically provide for complete repayment of their debts over a reasonable period of years. This sound practice also extends to most other types of municipal bonds. It has worked out well in the cases of railroad equipment trust certificates and amortized mortgage loans on homes. For some years after the collapse of the early 1930's, mortgage lending was in the 'doghouse,' largely because of failure to provide for amortization. Most home mortgages today do provide for complete repayment over a reasonable period of years. I believe there is not only greater safety but also more genuine liquidity in amortized home mortgages than in most of the new bond issues.

Field Is Circumscribed

"The fields that can be considered desirable and safe for trust funds, as things stand today, are just about limited to municipals, equipment trust certificates, amortized real estate mortgages, and a very few utility bonds. Many investors would add U. S. government bonds to this list, and certainly they should be the last word in safety. After ten years of heavy Federal deficits, with no correction of the adverse trend in sight, there may be room for argument as to whether U. S. Government bonds are still top grade.

"It is pretty well recognized that many of America's best managed, most substantial industrial enterprises are free of debt. Life companies domiciled in states whose laws forbid stock investments are not in a position to supply capital to such industries and are deprived of diversification to this extent. A number of states do permit investment in stocks which meet strict earnings and other investment tests.

Limited Investment Measure

"A typical insurance investment law, after reciting certain earnings and other tests for stock selection, specifies that a life company may not own more than 5 percent of the securities of any one enterprise. In this way there is no question of obtaining control of the enterprise. There is the further meritorious provision that a life company may not invest more than 1 percent of its

own assets in the securities of any one enterprise. All stocks combined, including preferred and guaranteed, may not exceed 10 percent of assets. A deterrent to stock investments is the absence of a stabilizing year-end market valuation method comparable to the bond amortization formula. Such a method seems justified from the demonstrable fact that the dividend income from many high grade stocks is safer and better assured than the common income from a large share of all the corporation bonds outstanding today.

Most Attractive Single Field

"At the moment, considering quality and yield, the most attractive single field for life insurance investment appears to be that of fully-amortized lending on owner-occupied homes in good areas, with due regard to the stability and adequacy of the borrower's income. It surprised me to learn from the findings of the Federal Home Loan Bank Board's division of research and statistics that insurance companies hold only 8 percent of all the outstanding home mortgage loans. Individuals hold 35 percent, savings and loan associations 21 percent, HOLC 11 percent, mutual savings banks 15 percent, commercial banks 10 percent. Surely 8 percent is not an adequate share for life insurance companies. The same source reports that during 1939 life insurance companies obtained less than one-tenth of the nearly three billion dollars of home mortgage loans made in the United States. Here is a field that appears worthy of more intensive cultivation!"

N. H. Nelson, treasurer Minnesota Mutual Life, in the Financial Section gave an analysis of an electric utility company. How the profit motive in an efficiently managed and alert large metropolitan electric utility had enabled it to maintain a favorable record of earnings in recent years despite the downward trend of rates and large increases in basic labor rates and other important costs was revealed by the speaker. The importance of efficient management was shown and he said that in 1936-39 this company's average net income per 100 kilowatt hours was only 36 cents, compared with 56 cents in the period 1924-27. A large increase in sales, he said, came from three sources, increase in population of 31 percent, increase in use of electricity by existing customers

for purposes in which the use was already common in the earlier years, and lastly, discovery and promotion of new uses for electric service. The average use for domestic consumers was more than doubled between 1924 and 1939. The use of power in industry has shown a tendency to increase more rapidly than the increase of manufacturing indicating substitution of electricity for other kinds of power.

Efficient management brought about substantial savings by improvement in power plant efficiency due in part to newer machinery not put into service but more to meticulous attention by the staff to many small duties and by year to year reduction in energy losses.

Capitalization Methods

Speaking on capitalization, he said, this electric utility company throughout the entire period 1924-39 maintained a commendable balance in its capital structure between debt and equity. At the end of 1924, bonds represented 53 percent of the total capitalization, and surplus; capital stock 43 percent and surplus 4 percent, while at the end of 1939 these percentages were 48, 42 and 10, respectively.

Speaking of interest rates, Mr. Nelson said that the low level of interest rates prevailing in the past several years has materially aided utility companies in maintaining or improving the ratio of earnings to interest charges. He said that taxes paid by this company that he was using as a study to federal, state and local governments were 8.7 cents for every dollar of gross revenue in 1924-27, but in the 1936-1939 period it had jumped to 13.6 or almost 57 percent increase.

Glimpse Into the Future

He acknowledged that as the basis for historical study one company could not be used for careful deduction, but this study plus knowledge of what has been observed applies to the entire industry, entitles people to raise a few questions in regard to what may possibly happen in the future. He asked, will electric utilities continue indefinitely to be subject to public pressure for lower rates? Can the industry count on development of new uses for electricity at the same rate as in the past? For how much longer will population growth continue to be an important factor in volume of sales? Will the burden of taxes continue to increase as rapidly as in the recent past? What will be the future trend of fuel prices? Is the upward trend in hourly wage rates going to continue? Are there ultimate limits to the savings that may be achieved through better methods and increased efficiency? Is it possible that at some future date a lack of markets for equity securities will force utility companies to finance the bulk of their capital needs with bonds with the result that capital structures become top-heavy with debt? How much longer will long term money rates remain at present extremely low levels?

CITY REVENUE BONDS

E. A. Camp, Jr., treasurer Liberty National Life, spoke at the Financial Section on "Analysis of a Small City Revenue Bond." He said that because no public security has back of it the continuing profit motive and there is no individual ownership, no continuity of management, no incentive to maintain and build up a property to be passed on to the children of the owner, the purchaser of a municipal revenue bond must always make sure that the particular issue he is buying has been surrounded by sufficient safeguards to overcome this lack of a personal profit motive and pride of ownership.

Two Broad Fields

He said the study may be logically divided into two main broad fields, first, an analysis of those factors of an economic nature which may give an insight into the stability, the permanency, financial background and economic outlook

for the community, and the surrounding territory, and secondly, the provisions of and the outlook for the particular bond in question. He thinks that most statisticians compare, probably unconsciously, the economic factors of the community under observation with the same factors of communities in their own immediate territory with which they are personally familiar or make a comparison with the national average. In his opinion this is fallacious and does not present a true picture. The comparison to be of value must be made with other communities in the same section having the same general economic history and the same type problems confronting them. He took Calhoun County, Ala., as an illustration. He said that this Alabama county would probably present an unfavorable picture when compared with the stronger Ohio counties. While the cash income per capita in Alabama has been approximately only one-third of the national average, the expenses in the operation of a small farm in Alabama are much less than the national average and a large proportion of the farm income in Alabama is represented by foodstuffs consumed on the farm which, of course, does not increase cash income.

Should Make Investigation

An investing institution, he said, should first conduct investigations and analyses on which to base a decision as to whether a portion of its funds should be invested in any particular state, and after that study is completed it should then select the best spots in that state to invest the funds allocated to that section. With that point settled, the next question to arise would be the type of information to be used in making comparisons between different sections of any state and from what sources this information is to be obtained. Factual statistical analyses, he declared, do not take cognizance of vital collateral facts such as differences in the collaterals and cost of living of various population groups. Touching on the fact that under present day conditions a decision must be made quickly as to whether a particular bond should be purchased, he contended that the insurance company financial officer needs a source of information of economic data to which he may turn immediately and with reasonable accuracy draw a mind picture of that community from the standpoint of its economic history, background and outlook.

Since he used the case method in presenting his analysis of a small city revenue bond, he selected for that purpose Anniston, Ala., 5 percent non-callable water revenue bonds due serially through 1967. He said it is difficult to find satisfactory sources of comparative data on the smaller cities, and next, he feels, a study including the area which supports the city is of really more importance.

Farm Appraisals

J. S. Corley, assistant treasurer Bankers Life of Iowa, in his talk before the Financial Section on farm appraisals, said that there is still an observable tendency to undervalue the better farm and overvalue the poorer one. For instance, he said, it is difficult to apply a uniform formula in the application of ranches, marginal farms and to raw lands such as are found in Canada where ultimate value may be less than the cost of development. He said that the appraiser today is not any more intelligent than his predecessor, but he has the advantage of better training, more information and a more logical and systematic approach to his problem.

Industrial Developments

There are no developments that might cause the sudden extinction of established industry, Chaplin Tyler, assistant director public relations department, E. I. duPont de Nemours & Co., stated. Instead, he commented, the developments now in sight should effect a more complete realization of the nation's self sufficiency and economic stability and also should create outlets for very large

amounts of new money which undoubtedly will be invested if adequate return is indicated. He spoke especially from the viewpoint of the chemical business, noting the possibilities of developing great industries in the new plastics, coated fabrics which are rapidly replacing leather for many purposes, synthetic medicinals, rubber and fibers. There are vast possibilities in the chemical industry, he said, which approximates one-fifth of all manufactured products in value and one-fourth of the capital invested in manufacturing. The chemical industries require large amounts of development capital.

Mr. Tyler especially mentioned the possibilities in chemical rubber and nylon, the new synthetic material for making strong fabrics. He said complete extinction of a chemical product or industry rarely occurs because new uses continually are being developed. Research in the chemical industry, therefore, is not confined to the laboratory but extended to investigation to create new markets and convert luxuries into commonplaces. He recommended the financial officers in looking at an investment problem examine not only the financial statements but assure themselves the products are essential and of good demand, that management is strong and public minded, and that the right kind of research is being done.

ADVICE TO INVESTORS

The investor in appraising the effect of government regulation upon his proposed investment must place himself in the position of the issuer of the securities, Dana C. Backus, attorney with White & Case, New York City, said in a talk on "Government Legislation and Regulation Affecting Institutional Investors" at the luncheon meeting. The aim of business and government is to produce the maximum amount of work, goods and services compatible with the health, well-being and enjoyment of the population, he said. If government regulation leads to this result, such regulation is good, and vice versa.

He discussed the trust indenture act of 1939, saying it was prepared by Securities & Exchange Commission because it was decided under the old law the trustee was not taking responsibility for the interests of bondholders. Proponents of the act believe it will go far toward protecting bondholders, but those opposed feel it is one more millstone around the neck of business. The act does not divorce the business of being corporate trustee from the business of commercial banking, but requires the elimination of conflicting interests within 90 days, which is to say in Biblical phraseology, "No man can serve two masters."

Other Enactments Taken Up

Mr. Backus also took up the investment company act of 1940, which has the effect of putting investment companies under strict regulations not dissimilar to those under which public utility companies find themselves. One of the first things life companies will have to do, he said, is to review their stockholdings to see if there is owned 5 percent of the voting securities of any other organization, and if there is such ownership to find out if the company whose stock is owned is a registered investment company. If it is, the companies must not sell to it or buy from it without the approval of SEC.

He discussed the neutrality act of 1939, which permits the President in times of emergency to freeze foreign credits and securities; the Reconstruction Finance Corporation act, public utility act of 1935, securities act of 1933, securities exchange act of 1934 and federal deposit insurance act.

Electric Utility Outlook

Alex Dow, chairman of the executive committee Detroit Edison Company, spoke before the Financial Section on the outlook for electric utility investments. Just as the interest of life insurance in the policyholders' welfare

does not cease when he has signed the application form, the public electric utility does not let its interest in its customer cease when he signs up for service, he said. Neither insurance companies nor public utilities are selling a commodity but each is performing a valuable service to the public. Public utilities' management, he asserted, needs to know the customer's requirements and should see to it that they are met by the delivered energy. Touching on the modern uses of their service, he said that of the public utility has varied more in form in the last 50 years than has insurance in the 150 years life companies have been active. He declared that that variation of form has been accomplished by improvement of quality. As soon as a new need appears the public utilities study its conditions and provide for its satisfaction. There are new problems and these must be met competently as they arise, he continued.

Don't Fear Honest Comparison

He said that the utilities are studying municipal and state operations and national ventures which have spread under the new deal until the combined sums amount to about 11 percent of the industry. Utilities, he added, do not dread any honest comparison. They do not think for the next 30 years the entrance of the municipalities or the state or the nation into the business will be at the same rate as during the last seven years.

Mr. Dow, furthermore, said that he does not anticipate any scientific revolution in his industry. There will be progress but not revolution, he said. For instance, he asserted, that if a controllable process of releasing atomic energy should be developed the electric power companies will be the first to use it.

Commenting on the present trend of regulatory bodies toward insistence that a larger proportion of the investments in the public utilities be represented by stocks, he said that this should make more attractive to life companies and other institutional investors those utility bonds in which they are particularly interested. He added that no public utility managers will carelessly increase the cost of money by substituting a 6 percent stock for a 3 percent bond.

C. F. Nettleship, secretary Colonial Life, section secretary was advanced to the chairmanship. It was voted to have a vice-chairman. Grant Torrance, treasurer Business Men's Assurance was elected to that position. Elmer A. Camp, Jr., treasurer Liberty National Life was chosen secretary.

INDUSTRIAL SECTION

B. L. DeWitt, assistant secretary and assistant treasurer Peninsular Life of Florida, was elected chairman of the Industrial Section succeeding Curtis P. Kendall, vice-president Washington National. This was the second year in which the new chairman was unable to attend the meeting as last year Mr. Kendall was ill and not present for his election and this year Mr. DeWitt has been disabled by an infected bladder but he is now on his way to recovery. A. G. Palmie, assistant secretary and manager of the industrial department of Home State Life, was elected secretary of the section. Mr. Palmie has been attending the Industrial Section meetings for a number of years, and with President J. D. Morse of the Home State Life has contributed much to the section's progress.

Greetings were extended to the section by President Craig and Manager Robbins of the American Life Convention. Mr. Craig's remarks had special significance inasmuch as he represents one of the industrial companies which has been most active in the section.

Deplores Governmental Regulation

In his presidential address, Mr. Kendall said that there has been an ever increasing tendency towards subrogation of business and governmental regulation. He said that if the agency

system is allowed to collapse it will be a calamity to policyholders, agents and the companies. The business should rededicate itself to building favorable public relations by making the public recognize the efficient service which the industrial business is rendering. The industrial agent has now come into his own and he is serving a useful and economic purpose, he said.

Problems involved in the conversion of industrial to ordinary were covered by J. G. Bruce, assistant actuary Colonial Life, provoking much discussion. The main objective is to foster constructive work along this line and at the same time guard against abuses by agents.

H. E. Niles, superintendent of agencies Baltimore Life, compared industrial and ordinary business, pointing to the better distributive machinery of industrial which he said is covering the public's needs better. Mr. Niles was formerly with the Sales Research Bureau so that he has had an opportunity to study various factors in the business.

All on Commission Basis

In analyzing the agent's contract, S. F. Keeble, associate general counsel Life & Casualty, said that despite the fact that an agent may be considered to be on a salary basis, his salary in reality is on a commission basis as he must do a certain amount of work if he expects to get paid.

Agency contracts were discussed at a round table discussion. The responsibilities faced by the companies in compensating field men who are called under the conscription act were reviewed.

T. J. Mohan, vice-president Eureka-Maryland, past chairman, presented the report of the nominating committee. H. T. Dobbs, vice-president Industrial Life & Health and president, and Raymond Daniel, executive secretary of the Industrial Insurers Conference, were introduced.

Added Speakers Are Given for Chicago Meeting

(CONTINUED FROM PAGE 1)

president Connecticut General. In his discussion, he will look at the manpower situation, and raise some pertinent questions as he urges aggressive action looking to a better survival of agents.

The final speaker Tuesday morning, Oct. 29, will be H. J. Johnson, president of Institute of Life Insurance, on "Public Attitude—the Motivating Force."

John A. Stevenson, president Penn Mutual, will open the final day's session and discuss current company and agency problems in his talk on "The Officer On the Bridge."

The second part of this session will consist of a series of six closely integrated talks on trends in training and retraining. This forum will consider current attempts at solving the problem of inadequate earnings of present men, trends in training and supervision, and trends in initial training.

Members of the forum are V. L. Bushnell, second vice-president Equitable Society; George Dunbar, assistant superintendent of agencies Mutual of Canada; J. A. Giffin, assistant agency manager Phoenix Mutual; F. L. Merritt, vice-president and manager of agencies Monarch of Massachusetts; W. K. Wise, vice-president in charge of agencies Provident Mutual; B. N. Woodson, Research Bureau, director of service.

The final speaker will be J. M. Holcombe, Jr., manager Research Bureau, on "Management in Action."

Whitehead Explains Plan

W. F. Whitehead, who is on a tour explaining and demonstrating to Kansas City life agents the new estate analysis and programming service, held a meeting in Chicago attended by agents of the W. M. Seitz agency. He went to Chicago from Milwaukee, where he held a similar meeting, and next week will hold a gathering in Detroit for the Michigan agents.

Four questions people ask about life insurance dividends



1. What is a dividend?

In a mutual company such as Metropolitan, the premium paid by the policyholder is fixed at an amount somewhat greater than the company expects will be needed under normal conditions to pay for the cost of furnishing the insurance. This is a safety measure, in order to make sure that the company has on hand at all times sufficient funds to cover any unforeseen contingencies that may arise.

The policyholder receives back, in the form of dividends, such amounts as past experience and present conditions indicate are not needed for the current cost of insurance or for the maintenance of the necessary reserve funds which assure payment of future policy obligations. Dividends are not usually available, of course, in the very early policy years.

2. How are dividends arrived at?

After premiums and interest from investments have been credited... after payments to policyholders and beneficiaries, and expenses, have been met... after the reserve which is required by law to insure the payment of future obligations has been set aside... and after provision has been made for an extra safety fund (the maximum of which is limited by law)... any funds remaining are available for dividends. The company apportions and distributes these funds to individual policyholders in such a manner that the dividend on each policy represents the refund due on that policy for the particular year.

3. Why do dividends sometimes fluctuate from year to year?

When you read the answer to this question, you may wonder why dividends don't fluctuate more!

The actual cost of life insurance depends primarily on three factors: the claim rate among the policyholders, the interest earned, and the running expense of the company. Any material change in any of these factors may increase or may lower the actual cost of insurance.

For instance, when a life insurance company receives less in interest, insurance must cost more than it otherwise would. During the last ten years, there has been a substantial decline in interest income on most forms of investments available to life insurance companies. The savings resulting from a lower death rate and Metropolitan's slightly lower expense rates (except for taxes) have not been sufficient to offset such reductions in interest earnings.

As a result, the amount available for dividends,

Every day, hundreds of policyholders consult Metropolitan agents for services or information concerning their Metropolitan policies. Frequently the questions they ask have to do with dividends.

during the period of declining interest rates, has been reduced.

4. In what manner may I use my dividend?

If you own an Ordinary life insurance policy in Metropolitan, you may use your dividend in any one of four ways.

- (a) You can receive your dividend in cash.
- (b) You can apply your dividend toward the payment of premiums.
- (c) Except in the case of Term insurance, you can use your dividend to purchase additional paid-up life insurance. Any such insurance, purchased in this manner, will be added to the face amount which your present policy will have at death or upon maturity.
- (d) You can leave dividends with the Company to accumulate interest.

It is not feasible, of course, to make all of the above options available for Industrial or Group policies.

No matter how you elect to use your dividends, the final result is this: dividends reduce the amount you pay for your life insurance to the actual cost of providing it.

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This is Number 30 in a series of advertisements designed to give the public a clearer understanding of how a life insurance company operates. Copies of preceding advertisements in this series will be mailed upon request.

Metropolitan Life Insurance Company

(A MUTUAL COMPANY)

Frederick H. Ecker, CHAIRMAN OF THE BOARD

Leroy A. Lincoln, PRESIDENT

1 MADISON AVENUE, NEW YORK, N. Y.



THIS IS THE THIRTIETH in Metropolitan's series of advertisements designed to give the public a clearer understanding of how a life insurance company operates. It appears in: Collier's, Oct. 5; Saturday Evening Post, Oct. 5;

Business Week, Oct. 5; Time, Oct. 7; American Weekly, Oct. 6; This Week, Oct. 13; Forbes, Oct. 1; United States News, Oct. 4; Cosmopolitan, Nov.; Nation's Business, Oct.; Fortune, Oct.; Newsweek, Oct. 7; American Mercury, Oct.



The John Hancock Memorial Post, composed entirely of representatives of the John Hancock Mutual Life Co., presented miniature replicas of their post colors to President Guy W. Cox on the steps of the home office building in Boston, before falling in line for the parade at the American Legion annual convention. Frank W. Carroll, post commander, assistant district manager at Long Island City, is shown making the presentation.



Among the speakers at the Provident Mutual Life's eastern regional sales congress, at Atlantic City, were left to right: N. A. White, advertising manager; E. M. Bechtel, agency assistant; L. F. Paret and A. M. Baker, Philadelphia, general agents, and Vice-president E. W. Marshall.

At a dinner tendered by the Connecticut Mutual for its representatives attending the National Association of Life Underwriters' annual meeting in Philadelphia, Vincent B. Coffin, vice-president and superintendent of agencies, presented, in behalf of the company, a golf bag and set of clubs to C. J. Zimmerman, Chicago general agent and retiring National association president. The gift was made as a token of appreciation for Mr. Zimmerman's contribution to the progress of the company during the past year when he also devoted considerable time to the N. A. L. U. The production of his agency is substantially ahead of last year for the same period, and shows a plus for 36 out of the last 38 months.



The Mutual Life of New York is taking an active interest in National Association of Life Underwriters' affairs as evidenced by the new high record in the number of representatives attending the Philadelphia gathering. In addition to home office

men there were 21 general agents and a large number of field men. At a special Mutual Life luncheon the above picture was taken. President Lewis W. Douglas of Mutual Life in fourth from right at head table.